



Daily Report

Latin America

FBIS-LAT-94-121
Thursday
23 June 1994

Daily Report

Latin America

FBIS-LAT-94-121

CONTENTS

23 June 1994

NOTICE TO READERS: An Ω indicates a Foreign Media Note.

INTER-AMERICAN AFFAIRS

'Spectacular Progress' on Mercosur External Tariff [PAGINA/12 21 Jun] 1

CARIBBEAN

Cuba

Castro's Cartagena News Conference 16 Jun [Havana TV] 2
 U.S. 'Encouragement' of Illegal Departures Viewed [Havana Radio] 7
 Mozambican Judicial Leader Upholds Solidarity [Havana Radio] 8
 Osmany Cienfuegos: Tourism To Exceed Sugar in Revenue [Havana Radio] 8
 GRANMA Discusses Production of Cigarettes [Havana Radio] 9
 Havana City Water Authority Explains Shortage [Havana Radio] 9
 Roundup of Criminal Activity [Havana Radio] 9

Haiti

FRAPH Changes Name, Urges General Strike [Port-au-Prince Radio] 9

MEXICO

New Armed Group Threatens EZLN-Type Uprising [LA JORNADA 22 Jun] 11
 Ecuadoran Priest Linked to Armed Group Expelled [Madrid EFE] 11
 Salinas: Government To Maintain Chiapas Commitments [LA JORNADA 17 Jun] 12
 EZLN's Marcos Cited on Camachio, Elections [LA JORNADA 20 Jun] 12
 Zedillo Urges Solution to Chiapas Conflict [LA JORNADA 21 Jun] 15
 Views Foreign Observers' Participation [NOTIMEX] 15

CENTRAL AMERICA

El Salvador

Security Academy Director Attacked; 3 Dead [LA PRENSA GRAFICA 19 Jun] 17
 May Inflation Rate Steady; Prices Unchanged [EL DIARIO DE HOY 17 Jun] 17

Guatemala

URNG, Government Agree To Extend Negotiations [SIGLO VEINTIUNO 19 Jun] 17
 Foreign Minister Views Planned Trip to U.S. [Guatemala City TV] 18
 Roundup of Economic Developments [SIGLO VEINTIUNO 16 Jun] 18

Honduras

Workers, Peasants, Teachers Demand Salary Raise [NOTIMEX] 18

Nicaragua

Former Soldiers Occupy Esteli Cathedral [AFP] 19
 Police Evict Soldiers [NOTIMEX] 19

Panama

Government Grants Asylum to 150 Haitians [LA PRENSA 22 Jun]	20
Roundup of Economic Developments [LA PRENSA 17 Jun, etc.]	20

SOUTH AMERICA

Argentina

Agency To Track Down Nazis To Be Established [LA PRENSA 20 Jun]	21
---	----

Bolivia

President's Sea Outlet Proposal Prompts Reaction [LA RAZON 17 Jun]	21
Sanchez de Lozada Discusses Trip Abroad [La Paz TV]	21
Military Supports Armed Forces Commander [LOS TIEMPOS 14 Jun]	22
Generals Evaluate Foreign Interference [HOY 13 Jun]	22
Military Air Transports Merged for Commercial Purposes [LOS TIEMPOS 16 Jun]	24
Justices To Appeal Sentence Before Human Rights Court [PRESENCIA 11 Jun]	25
Quiroga on Alternative Development, Interdiction [EL MUNDO 11 Jun]	25

Brazil

Decree Enforces Haiti Sanctions, Freezes Assets [AGENCIA ESTADO]	26
Samery To Replace Franco on Visit to Portugal [AGENCIA ESTADO]	26
Lula Meets President Mandela in Pretoria [AGENCIA ESTADO]	26
Proposes 'Coalition Government' [Brasilia Radio]	27
Explosion at Army Headquarters Investigated [AGENCIA ESTADO]	27
Senators Disagree Over Patents Bill [AGENCIA ESTADO]	28
Dollar Decline To Benefit Exports [AGENCIA ESTADO]	28
Ricupero Urges Changes in Export Profile [GAZETA MERCANTIL 27 May]	28
School Fees Decree Ruled 'Unconstitutional' [AGENCIA ESTADO]	30
Corruption Charges Against Senator, Deputy Dismissed [Rio de Janeiro TV]	30
Roundup of Electoral Campaign Developments [GAZETA MERCANTIL 30 May, etc.]	31

Chile

State Possession of Easter Island Reaffirmed [Madrid EFE]	32
---	----

Colombia

Pastrana Holds News Conference on Drug Tape [Santa Fe de Bogota Radio]	33
Samper Concerned Over Pastrana's Remarks [Santa Fe de Bogota TV]	34
Senator Responds to Campaign 'Scandal' [Santa Fe de Bogota Radio]	34
Army Tries To Confirm Capture of Top EPL Leader	35
More on Arrest of EPL Leader [Santa Fe de Bogota TV]	36

Ecuador

Indians Protest Land Development Law [Quito Radio]	36
FUT Calls For General Strike 28 Jun [Quito Radio]	37
Tungurahua Governor: Situation Improving [Quito Radio]	37
Government Closes Several Radio Stations [Quito Radio]	37

Paraguay

Wasmosy Criticizes Legislators on Draft Defense Law [ULTIMA HORA 22 Jun]	37
Military Group Challenges Party Membership Law [ABC COLOR 22 Jun]	38
Editorial Notes Entrepreneurial Views on Economy [ULTIMA HORA 21 Jun]	38

Peru

U.S. International Leadership Role Viewed [EXPRESO 10 Jun]	39
Fujimori Invites Jiang Zemin To Visit Peru [EL COMERCIO 12 Jun]	39
Government Supports China Joining IDB [EL PERUANO 10 Jun]	40
Defunct Radar Opens Upper Huallaga to Trafficking [EL COMERCIO 11 Jun]	40
Colombian Cartels Increase Flights to Huallaga [Madrid EFE]	40
Economy Minister Seeks Plan To Reduce Debt [EL PERUANO 11 Jun]	41
Use of Privatization Funds Explained [EXPRESO 10 Jun]	41
Popular Christian Party Secretary General Named [EL COMERCIO 10 Jun]	42

Uruguay

Herreraist Candidate Proposes 'Popular Capitalism' [EL OBSERVADOR ECONOMICO 14 Jun]	43
Leading Candidate Proposes Delaying Mercosur [NOTICIAS 21 Jun]	43

Venezuela

Riots Erupt in Moron, Puerto Cabello; Students Protest [AFP]	44
500 Arrested, 1 Killed in Carabobo Riots [Caracas Radio]	44
Caldera Orders Release of 2d Coup Attempt Leader [Caracas Radio]	44
Accords Signed With Portugal To Broaden Ties [Caracas Radio]	44

'Spectacular Progress' on Mercosur External Tariff

PY2206235094 Buenos Aires PAGINA/12 in Spanish
21 Jun 94 p 12

[Article by Daniel Victor Sosa]

[Text] Sources close to the negotiations have told PAGINA/12 that the Mercosur [Common Market of the South] economy vice ministers have achieved "spectacular" progress in defining the common external tariff that will become effective for the four regional partners as of 1995. According to an official, the six-month deadlock was broken after an agreement was reached on the discussion of the capital goods issue, the most sensitive point of the negotiations, and after Brazil raised a "very flexible" proposal on informatics. Nevertheless, these optimistic prospects were partially shadowed by an announcement made by former Uruguayan President Julio Maria Sanguinetti, the candidate with the best chances of winning the upcoming elections in his country. Sanguinetti announced that, if he regains power, he would ask that the common tariff system be postponed for four years.

The Economy Ministry hopes that an agreement can be announced during the presidential summit slated for 14 and 15 July in Buenos Aires. The current differences concerning capital goods are extremely pronounced, as Argentina has scrapped tariffs on all equipment, irrespective of origin, while Brazil protects its manufacturers by levying customs duties going as high as 35 percent. During the negotiations, Economy Minister Domingo Cavallo's team proposed a 12-percent compromise, but the Brazilians are intent on 16 percent. One negotiator reported that "a good settlement might be to establish a 14 percent tariff as a goal to be achieved within a longer period of time, let us say 2006." The countries would then later have to work out an agreement on informatics and telecommunications.

Applying the criterion of compensation between the two leading partners did the trick in reconciling their differences. A diplomat recalled that "when Argentina reduced the tariff on the import of equipment to zero, the Brazilians lost the advantage they had with the preferential tariff. Cavallo then promised to 'indemnify' the injured party. Brazil has now liberalized the purchase of meat, and the Argentine producers are now the injured party."

Argentine Commerce and Investment Secretary Carlos Sanchez discussed the future incorporation of Chile into Mercosur with his colleagues from Brazil, Uruguay, and Paraguay: Economic Policy Secretary Winston Fritsch; Finance Under Secretary Juan Ignacio Garcia Peluffo; and Integration Vice Minister Ruben Fadlala respectively. Some 30 officials from the four countries also participated in this meeting.

An Argentine official said: "If next month, the presidents announce the coming into force of a free trade zone (trade liberalization between the four partners) and a customs union (including a common external tariff) as of 1 January 1995, we will then have the rest of the year to negotiate with the other Latin American Integration Association member countries."

Another two key subjects discussed at the meeting included the system of origin of goods (the way to prevent smuggling due to the difference in tariffs, which will persist in several sectors for more than a decade), and the duty-free zones.

Commenting on his position on Mercosur, which is supported by the Chamber of Industry of Uruguay, Sanguinetti said "we have to be realistic and postpone this transition stage for another four years," as the four member countries "are not in a position to reach agreement on a common external tariff at present."

Cuba

Castro's Cartagena News Conference 16 Jun

FL2206014194 Havana Cuba Vision Network in Spanish 0140 GMT 19 Jun 94

[News conference by President Fidel Castro with unidentified domestic correspondents at the conclusion of the Fourth Ibero-American Summit in Cartagena de Indias, Colombia, on 16 June—recorded]

[Text] [Correspondent] Commander, how does this summit differ from previous summits?

[Castro] I cannot say that there are paramount differences between summits. Progress was made at all of them, and altogether they represent something positive. The summits are being honed. We are never fully satisfied with everything discussed or said at the summits. Yet, the fact that the summits are taking place is an important step in Latin American history. As I told representatives of the solidarity groups today, it is the first time in history that we have met or held meetings without consulting third party countries because this is the fourth meeting we have held.

These Latin American summits have been consolidated; they have been institutionalized. Each one has made a contribution, fostered certain accords, and promoted specific results. There are specific results and a general result. They have fostered greater awareness, understanding, and a spirit of cooperation among Latin American leaders. This is reflected in the diverse steps the Latin American peoples are taking toward integration. The value of the summits does not lie in what is accomplished, but in what is fostered. The summits have truly fostered a lot.

I liked this summit. Guadalajara was first; Rio was also good; some things came out of Spain. The Caribbean atmosphere, Cartagena's atmosphere, hospitality, spirit—although also present in Rio and Guadalajara—contributed to this summit. We felt closer to our climate and character.

You can see how important these summits are by the fact that they have prompted the Miami summit. Our northern neighbors are worried and envious of the fact that this movement continues to advance and has attained specific results in establishing subregional integration mechanisms. Therefore, they want to have their own. We do not know if they want to hold it annually. Of course, they began by excluding us, which is a clear act of cowardice. They fear debate and discussion. They fear the truth.

They know that I would go to the summit even if it were held in the very city of Miami. I would go to the summit [words indistinct] because it is an opportunity. One cannot reject an opportunity to have the Latin American and Caribbean peoples go there and talk with the alleged masters of this hemisphere. I hope they have enough

spirit and courage. There are always certain courageous men that will express certain truths at that summit and defend the many interests of Latin America and the Caribbean.

This summit has the characteristic that it was held before that one, although nothing was actually said about that summit because one of the goals in a summit like this is to discuss what Latin America will jointly propose there, in Florida. The issue was not discussed, however. That would be asking too much. Nevertheless, I decided to dedicate practically three-quarters or, better yet, my entire speech to analyzing that fundamental issue, the Miami summit, and to introducing some ideas, which you have heard.

[Correspondent] Commander, Cuba has been present at the four summits. What has Cuba's contribution been in these summits and how have these summits benefited Cuba?

[Castro] Well, I would say that Cuba has made a contribution with its very presence. Its presence there is something that is exceptional, new, and unprecedented. For the first time, there was no exclusion. Mexico had much to do with that, as well as our other important Latin American friends. Therefore, Cuba's presence gives the summit more seriousness and dignity because the cowardly exclusion is no longer committed.

Cuba freely stated its viewpoint, opinion, and criterion. You know how these summits are: there is a public part and a private part; you speak once and you speak many other times. Cuba has participated in all the meetings on different issues. It pointed out the importance of education, health care, scientific research, and social development. We can say today that social development issues are gaining importance at these summits. We can say that one of the characteristics of this summit was that we finally began to speak of social development and to talk extensively.

Cuba's presence helps this. We have truly striven to lift the spirit of the summits and to give them substance. The Cuban delegation has nothing to regret about each of its statements at these summits. All of these summits have been serious, correct, and just, particularly this summit since we face the famous Miami summit. We began to discuss the Miami summit. These summits have obviously created an awareness.

One of the fruits is that they have created an awareness about integration. We should not measure them by material things as much as by the awareness they have created and the rapprochement they have caused, the contacts they have originated between Latin American leaders. This is what I say the summits have obtained from Cuba's modest contribution. Cuba has made a modest contribution in these areas.

You asked about contributions to Cuba. The summits have helped counter Cuba's isolation and create an awareness against the blockade. They have helped teach

the United States a lesson. They make its decision to exclude Cuba even more ridiculous. In other words, Cuba has also enjoyed the benefits. It has improved its relations with Latin America, and it has found a more favorable atmosphere for economic relations and trade in many areas. The summits have allowed us to establish contacts with many Latin American leaders, politicians, and many valuable people in the political sector. This has helped Cuba get closer to Latin America and develop its relations with Latin America. Those are some of the benefits for Cuba. I cannot tell you there have been specific economic and material results, but great results have been immediately evident. We are working not only for the present, but also for the future. Even then, Cuba achieved important results at these Latin American summits.

[Correspondent] Commander, even when the main topic of this summit was the Latin American economy and integration, in your opinion, what are the greatest obstacles which currently prevent Latin America's integration?

[Castro] The United States is the main obstacle. The United States wants to disintegrate it. The United States opposes real Latin American integration, where Latin American countries move on their own and as independently as possible toward integration. The United States sponsors bilateral integration with different Latin American countries. Almost the same thing happened with the external debt. The United States refused to allow a coordinated Latin American discussion. The United States does not want to allow a coordinated discussion in Latin America. It wants to reach agreements with countries, one by one, to adjust them to its specific interests and, in this way, prevent true Latin American unity.

What happens is the United States wants one thing, and another thing may happen because the Latin American countries are reaching many bilateral agreements on their own. Mexico is sponsoring bilateral free trade agreements with several Latin American countries. It has already done this with Chile, despite Mexico's participation in the famous NAFTA. It has just signed an agreement with Venezuela and Colombia. The Group of Three also entails free trade. Therefore, ideas about free trade and Latin American integration are making way little by little.

Of course, all this takes place amid a struggle between blocs. Europe looks at the U.S. attempt to become the owner of the Latin American markets with mistrust. Although it is true that Mexico carries out most of its trade with the United States, South Americans carry out approximately 20 percent or less—I cannot recall the exact figure right now—of their trade with the United States. South American countries carry out important trade with the rest of the world and important trade with Europe. Of course, that counters hegemonic U.S. interests and its plans to seize control of the Latin American markets.

This Miami summit could be very interesting if it addresses all these things. That is why I said in my address that I hope those issues are discussed and that if it only adopts measures to dominate, seize control of the Latin American markets, isolate Cuba, and eliminate Europe, Japan, and other areas from trade with Latin America, then the time will come—as Marti said—to declare Latin America's second independence. The truth is that all this entails a conflict. I do not think the other blocs will fail to put up a fight even though GATT has already been established. GATT still has many weak points. The impositions by the great powers, mainly the United States, were strong, particularly in the area of services and intellectual copyright. All this must be analyzed better because agreements were reached. Those agreements represent some advantages, but those agreements were undoubtedly more advantages for the larger blocs and the United States.

Obviously, it would like to monopolize trade in its backyard, namely Latin America. Latin America knows this. That is why we welcome the fact that Mexico is sponsoring free trade agreements. We welcome the fact that the Latin American Integration Association, Mercosur [Common Market of the South], the Central American Common Market, and the Andean Group are advancing. Let us say they are subregional organizations that seek subregional integration. It is good they prosper because they, thus, become a form of resistance to the great effort to swallow the Latin American and Caribbean markets and to impose the U.S. conditions, which would give it the greater advantage.

[Correspondent] Commander, the Cartagena summit provided tremendous support to subregional economic organizations as you have just mentioned. Do you think this is a tendency that might continue developing on the continent, and do you think this tendency would form part of the Latin American economic integration strategy? Another question I would like to ask: If Latin America were to present a united front at the hemispheric summit summoned by the United States, in your opinion, what issues should it discuss?

[Castro] Well, your question is very long. First of all, Latin America's interest and effort toward subregional economic organizations has come about naturally, spontaneously, and instinctively. Whether that becomes a strategy of the Latin American summits is something else. This remains to be seen, but I believe it is bound to be a more important player.

On the strategy that I think we should follow—and I say this as an absentee-Latin American to the Miami summit, of which I spoke in my speech—many of these issues would be a bit too long to detail, but there are important aspects. We said that resolution No. 301 should be rescinded and not used as a negotiation weapon, as is the issue of intellectual property. We must find a definite solution to the problem of the debt and the fact that more aid is needed for development. We

could add many other things. The issue of unfair trade should be discussed in more depth.

In just 12 years, Latin America has paid more than \$700 billion, for two reasons only: First, in payment of the foreign debt; and second, because of unfair trade during the past 12 years. It has lost more than \$700 billion because of these two things, in just 12 years. This is without including capital drain. I believe these are important issues and ought to be discussed at that summit. There are many other issues, but we are speaking of economic factors. I do not want to speak long because I already mentioned all these things. I put emphasis on the issue of social development. I also mentioned the seriousness, the graveness of the dismissal of human rights, as important as the rights to education, health, the right to work, the peoples' right to dignity and to their ethnic and cultural identity. I spoke about the defense of sovereignty, the principle of nonintervention in Latin American affairs, renunciation of the pretexts that are increasingly used to meddle in domestic affairs, such as the drug trafficking problem. This should not serve to allow the United States to limit the sovereignty of Latin American nations and turn their armies into police forces.

In other words, there are economic aspects as well as political aspects. I stressed that if it is true, as they said, that they seek to establish more mature relations, and to close their bases in Latin America, they should not forget to close down the Guantanamo base, meet their accords, and withdraw their forces from Panama and any other country. There are many security, political, and economic problems to discuss at that summit. If they want the opinions of the nongovernmental organizations, they ought to ask the opinion of all—the indigenous peoples, women's groups, and unions, without excluding any, as well as civilian organizations. There are entire world of things to be discussed there. [passage indistinct]

I advocated the Latin American discussion [30 second break in reception] that it not be allowed to become another catch phrase of the day. I am glad that as a result of the summits we have held independently, free from third party meddling and without asking anyone's permission, they have been forced to summon the Miami summit. They could have, of course, selected a different city. Miami was chosen. They did not hide the fact that it is part of a political ploy responding to U.S. domestic politics, and once again, returning to their loathsome exclusion in the end reflects—I repeat—political cowardice, lack of valor to face the debate, lack of valor to face the truth. They do not want to catch sight of anything like my uniform or guayaberas.

[Correspondent] All these U.S. political views, however, are grounded in the basis of a so-called democracy. You also said at the summit that much could be said about democracy, or even that a summit on democracy could be organized. What is the true level that democracy should have in Latin America?

[Castro] This is a difficult issue because we held some closed door meetings. I, however, spoke about concepts of democracy and said democracy cannot exist without equality, without fraternity, and without social justice. I spoke of the Athenian democracy, which had 30,000 free citizens and 70,000 slaves.

I mentioned some of these things. I had no choice but to explain certain concepts, to ratify my principles and beliefs, and to mention Carl Marx, his theories and hope for the disappearance of the state. I mentioned that there are countries that remind me of that Greek democracy. I am simply giving you a glimpse. I do not want to be indiscreet. I simply want to say that I spoke and spoke with firmness and conviction about some of these ideas.

I also had to point out some things about Cuba, such as our institutionalization; our Constitution, approved by over 90 percent of the citizens; and our electoral system. At times, they talk as if Cuba is not a state of law, or has no Constitution or elections. This lack of knowledge then becomes an axiom. I was forced to speak very clearly about some of these concepts, above all, in light of certain superficial, cliché comments regarding these concepts. I, however, do not want to say anything more or they will say I am a (?blabbermouth).

[Correspondent] Commander, again regarding the Miami summit: Do you think that some of the presidents in attendance might bring up the issue of the U.S. blockade against Cuba?

[Castro] Well, that was already brought up in Cartagena by Brazilian President Itamar Franco. He rejected the blockade. Now, we will wait and see how the summit goes. I can imagine. I do not know how many minutes each speaker will have. It involves many people, and if organizing these summits, which include about 20 countries, is difficult, when you add all the others, who knows how it is going to come out. I do not know how long Clinton will speak or how long the others will speak, or the agenda, or the pressures that the far right might try to exert there. It is not bad, however, for the leaders of Latin America and the Caribbean to get to know Miami.

There are many good people and many good Cubans in Miami. There is a Puerto Rican population, and Mexicans, and Colombians, and many others from many parts of Latin America. They will also get to see, however, the mafia of fascist gangsters of Cuban origin who own the city by virtue of their financial might, terror, and the political lobbying conducted through the media under their control. It is a good chance for them to see this.

There are many other places. I believe it would have been more politically correct for the United States, in wanting to summon a summit, to choose a Latin American country. That would have highly pleased the Latin American peoples. They, the owners of the hemisphere, are seeking to turn Miami, however, into the capital of the hemisphere.

[Correspondent] Commander, the convergence of regional integration schemes as a way to attain the definitive integration of Latin America was discussed at this summit. Of the 21 Latin American countries, I believe that all except Cuba are involved in some regional integration commerce scheme, such as Mercosur, the Andean Pact, the EU [European Union] in the case of Spain and Portugal, and the Central American Common Market. How do you see....

[Castro, interrupting] We are tactically in the South. We belong to the Latin American Economic System, SELA. Do not forget.

[Correspondent] Yes, however, from the commercial point of view, do you see in the near future a possibility....

[Castro, interrupting] We still do not have [words indistinct]. We have to think about this. We have to discuss this. The most appropriate time, however, for this is yet to come. Logically, we have to attain these goals and objectives. We have to become integrated. The important thing is for integration to develop, to come to fruition. Without integration, there will be nothing to integrate.

[Correspondent] Commander, how did the other heads of state react to your second, historic address?

[Castro] What second, historic address?

[Correspondent] When you addressed them at the end of the first day.

[Castro] Well, they listened with respect. I said several truths. I said: This and this, and these points have not been discussed. I, however, do not want to talk about the second address which was longer. It lasted 25 minutes.

[Correspondent] That was the closed-door one.

[Castro] I had already hinted at some of the things regarding democracy that I had no choice but to discuss. I, however, do not want to reveal anything else about the content of the talks or I would be breaking my word. I do not know what the others will do, or how much they will say, but I have to respect my commitment to be as discreet as possible regarding the content of the closed-door meeting.

[Correspondent] There were many presidents who said farewell during this summit and others who participated for the first time. What is your impression of these new voices in the summit and bilateral meetings?

[Castro] In general, positive. In general, they are intelligent people. Some are more outstanding than others. Some have clearer views. Some speak in more specific terms. This is so of the older ones as well as the new ones. In general, they are intelligent people, capable people, who express themselves well.

[Correspondent] What were the results of the bilateral meetings?

[Castro] [Words indistinct] great kindness, a growing kindness from everyone, with no exceptions. This is what I noticed.

[Correspondent] Commander, what about the presence of U.S. observers at this summit?

[Castro] I think that those who are trying to organize the Miami summit were trying to learn how this summit was organized. I do not know. This one was difficult to organize. They wanted to include too many things in the agenda. The Colombian organizers truly worked hard to organize the summit as well as possible. From the beginning, we saw the agenda was overloaded, intense. I was afraid there might be delays, and it happened. By the end of the first day, we had not completed the discussions on the first point. Later on, 10-minute coffee breaks lasted half an hour or 35 minutes. There were dinners, and lunches in various locations. We had to go by boat, travel, return, then have recesses and fulfill many engagements.

Everything was scheduled precisely, but in general, in this type of thing, schedules are not fully met. I would say it was more disciplined than the nonaligned meetings and everyone was usually present at the beginning of the meetings. These summits are much smaller. A summit with 22 heads of state is not the same as a meeting of 100. The Colombian Government made a great effort, and selected a good site despite the fact that it did so close to two other important events: elections next Sunday [19 June] and the World Soccer Cup. There are many soccer fans. At least many people did get to focus on the summit while it was being held, and act accordingly.

You had asked me about....

[Correspondent, interrupting] About the presence of U.S. observers.

[Castro] That is what we were talking about. They came to learn. That is what they say. I would truly like to see how they organize the Miami summit. This makes me curious: how many minutes each speaker will have, how long it will last, how it will work. I do not know if they will put people out in space for this and do spectacular things like they did during the Olympics. We will see [snickers] how far the Americans' common sense goes.

[Correspondent] The Caribbean States Association is going to be created at the beginning of July. I would like to know, since Cuba has been invited to join, what the range of possibilities that this represents, will mean for Cuba?

[Castro] I think it is an important step forward, and somehow, the Barbados meeting was part of the efforts aimed toward the creation of this association and Cuba's participation. As you know, the Yankees strongly oppose Cuba's participation in any of these types of associations. We have to wait to see how events develop,

whether the pressures can be overcome, and if Cuba gets to belong to this association.

[Correspondent] Commander, do you believe that in Latin America, as well as in Ibero-America, there is currently a true commitment to integration? And in this case: What roles would Spain and Portugal play? Secondly, I would like to ask your opinion on the final document and its frequently-referred to content of neoliberalism and its praise for the Uruguay rounds and GATT.

[Castro] A true, full commitment is still lacking. We could say there is progress, which we could call significant, toward developing that awareness. That awareness still has to develop and to this end, the summits help. Spain and Portugal might play a role in one way or another. They have advocated certain interesting initiatives and have served as a bridge between Latin America and Europe. As the threat of a war of large economic blocs looms, the presence of Spain and Portugal is an advantage, not in regard to integration because Spain and Portugal cannot integrate into a joint Latin America, but they can contribute to this integration. They can and are, as a matter of fact, doing so. This is the way the summits were conceived. On occasion, we have an opportunity to see the advantage of their presence.

Was there a third question?

[Correspondent] Yes. The second question was about....

[Castro, interrupting] Well, I already answered the second question about the role of Portugal. What was the other one?

[Correspondent] It was about your opinion on the final document of the summit.

[Castro] One is never satisfied with the final documents of these meetings. These are documents that have to be discussed and negotiated extensively, keeping an eye on every comma and word. The burden of neoliberalism is present in the reality of Latin America. It is very strong and pervasive. Some have not sympathized much with neoliberalism and certain personalities and countries are beginning to show a not-so-blind faith in neoliberalism. Some have turned it into a religion and others are beginning to discover the other face of that religion. For example, there is the case of Venezuela, which has huge problems despite its wealth. They no longer speak in terms of neoliberalism. There are other countries that do not express the same enthusiasm. I do not want to mention them, so they cannot be singled out. There is still, however, a strong neoliberal following.

It would take awhile to explain. Many things have been privatized, and much revenue has been accrued. It does not last, however. There have been certain advantages, given the low interest rates that have prevailed for a number of years. If the interest rates, however, were to reach the 1985 level, when we waged the fight against the foreign debt, a \$487 billion debt would be a catastrophe.

There is much euphoria. Many are euphoric following the implementation measures that have reduced inflation and fiscal deficits and such, but at the cost of a general shearing in terms of the budgets for social programs.

They are now beginning to realize that they might be digging an abyss. Neoliberalism, the way it was advancing, was digging an abyss. This is why, even the International Monetary Fund, the World Bank, and the Inter-American Development Bank, are now speaking of social costs. No one knows, however, from where or when these monies will appear. What is true is that circumstances have worsened and despite certain favorable macroeconomic indexes, the per-capita income of Latin America—not under a blockade, not under the harsh double blockade that Cuba is experiencing, and not undergoing a special period—is the same as 16 years ago. The levels of education and health, in general, are experiencing heavy setbacks, to the point that they have realized this could result in far-reaching social explosions. They greatly fear social explosions and are beginning to talk about formulas to tackle what they call social development; even the Yankees are becoming aware of this. Neoliberalism is still strong. The neoliberal euphoria will last for some time.

[Correspondent] Commander, your arrival at the summit made us remember Raul Ferrer's line: The Fatherland is a Mambi dressed in guayabera. How did wearing a guayabera, after 37 years, make you feel?

[Castro] I feel as good in a gala uniform as in an olive green uniform, pajamas, shorts, or a guayabera. What happened, as I explained today to our friends, is that we were all asked to make an effort to show up in short sleeves and guayaberas because of the heat. To tell you the truth, I did not have a single guayabera. I had to borrow some and try them on to see if they would fit, but none did. They made some guayaberas for me in a few hours.

First, they had to find the fabric. We did not have any fabric. They were trying to make a green guayabera, but we could not find the fabric anywhere. They tried a strong blue hue, but the only fabric that the people who do this for the Council of State and institutions, that outfit people when they have to fulfill a function, had available was this clear color. They are good at this. They made a great effort, did not sleep. It was chaos. I was scheduled to depart on Monday night, and by midmorning, they tried a guayabera on me that they had finished at who knows what hour. They were concerned about the length of the sleeves, the fit of the shoulders, and whether it needed to be a quarter-inch longer. The first one they made was like a dressing gown. I fit in it twice. I said: I am really not this fat. [laughter] They did not have my measurements or anything. They fixed it. I am pleased. They came out quite well. They were even concerned about what type of collar was in fashion. One of the ones I borrowed was from (Chon) and had a longer collar. [laughter] I am taller than (Chon) and it did not fit right.

Then, they said that the modern style was shorter. What do I know about fashion? I do not want to be bothered by this. Luckily, I did not have to have a suit made. I told them to find a compromise. What I did was wear the white guayabera over the cream shirt of my uniform. They had time to make at least four pairs of pants. [laughter]

[Correspondent] It was a hit.

[Castro] This guayabera made history. Many praised it. Some people were against it. A little girl asked me why I changed to it, and I told her: No, I am still wearing my uniform, but inside me. The boots were the same ones I use everyday. They are really a bit old, but I am used to them. I wore the same boots and the same uniform pants.

[Correspondent] Some said you were half civilian, half military.

[Castro] Yesterday, I changed further so no one could say I was wearing a uniform—the same guayabera and pants, but I wore navy blue and a darker blue guayabera, but the same boots. I have only taken off my boots to sleep. I think this was the right thing to do. Some have made all kinds of assumptions because I was not wearing a uniform. I did it in response to my host's request. I did not want to be the discordant note and different from the rest.

[Correspondent] [Words indistinct] in guayabera or uniform?

[Castro] I still do not know. I still have things to do. Perhaps my conscience will begin to bother me and I will put my olive green uniform back on again. I could return in a guayabera, but tomorrow I will not wear a guayabera. I cannot say the final word, however. [laughter] I do not want to say that I am never going to wear it. What do I know. Perhaps, there is a reception I will have to wear it to. They are truly comfortable and cool. Perhaps I will borrow one of Robertico's [Robaina] uniforms. [laughter]

I have been comfortable. It is truly hot here. I think I am going back to my old olive green uniform, however. It is an old custom. That was the history of the guayabera; it was an odyssey. I did not have anything to wear to comply with my hosts except my pajamas. [laughter] My pajamas were the only outfit that met their requirements. We solved the problem, however. But I do not have a single suit. If one of these times they forced me to wear a suit, I assure you, I am going to have to borrow one.

[Correspondent] Commander, whether wearing a guayabera or an olive green uniform, what are Cuba's dreams for the fifth summit?

[Castro] We have spoken of dreams so often. My guayabera and my uniform, however, are the Latin American of which Bolivar and Marti dreamt. As I said today to our friends, we are not worthy of speaking about Marti and Bolivar until we attain a united, politically and economically, integrated Latin America. This is my dream, and I believe, the dream of every progressive and revolutionary man of Latin America. I can also speak of

a dream for a progressive and socialist Latin America. Yet, that is looking far into the distance. If you said such a thing in a summit, well, you can imagine. [laughter] Quite a brouhaha.

U.S. 'Encouragement' of Illegal Departures Viewed

FL2306013194 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Jun 94

[Report by Zenaida Costales for the "National Radio News"]

[Text] For over 34 years, Cubans have witnessed the U.S. increased encouragement of illegal emigrations. Accounts of diplomatic mission violations, departures by sea, temporary trips without return, and Guantanamo Base infiltrations followed.

Experts on the subject say that the absence of a real U.S. immigration policy has been obvious for more than 30 years and the Cuban case evidently receives preferential status.

[Begin Antonio Aja, assistant director of Havana University's Center of Studies and Political Alternatives, recording] Unlike other immigrants who arrive on the Florida coast and are deported to their countries, this does not happen in the case of Cubans. Why? Because there is a U.S. law that functions parallel to the normal general immigration law—the Cuban Quota Adjustment Law, which dates back to 1966. This legislation categorizes Cubans arriving on the Florida coasts, or the U.S. coasts in general, as political refugees, whether or not they are political refugees. As we have discussed in this regard, if these people basically have an economic or social motivation, or if their goal is a family reunion, they do not qualify as political refugees. Furthermore, they have no... [end recording]

The U.S. immigration policy toward Cuba is closely linked to a vast propaganda campaign supported by the media, which manipulates public opinion and, in many cases, magnifies the events.

[Begin recording] [Unidentified speaker] The U.S. Coast Guard has reported that 37 Cubans were rescued in the Gulf as they approached Florida. Arturo Cobo, director of the Stock Island Refugee Center, gives some of the newly arrived persons' names. [passage indistinct]

[Aja] Floridian press and radio stations refer to the topic of the rafters, the human problem involved. It is true that they publish the number of people who arrive; it is also true that they give weather reports and sea conditions for navigation on the coast. It is also true that they talk about Hands to the Rescue, an organization that reportedly exists to rescue those who try to illegally emigrate by sea. In other words, a series of subliminal messages are sent from Florida by the press and radio; and logically, this... [end recording]

Aja's opinion and this reporter's information are not enough. It is also necessary to include the views of those who leave their lives to fate and decide to embark on the sea adventure. A northwest-bound floating craft leaves under cover of darkness. Who are they? No one knows. Their goal? To go beyond the 90-mile barrier and reach the United States.

[Begin recording] [Unidentified speaker] We leave the coast behind. We are tense. We think of nothing. We are tense because we do not know what might happen. We row all night long [words indistinct]. Dawn comes and we are far away. We can see the shore by then.

[Costales] Did not you think about your family and their concern about you?

[Unidentified speaker] Yes, of course. I left here without saying where I was going. Later, when we were rowing, we were tense and looking around in case something was coming, or someone was coming to rescue us. I decided to leave on the spur of the moment. Later, I realized [words indistinct]. Also, I did not feel good here. There is no hope, there is no future. [end recording]

The Cuban Government has been receptive and has implemented a process that renders emigration laws more flexible. The United States, however, continues to close its doors to legal immigrations, but is willing to maintain a flow of illegal immigrations as an argument to maintain its stance against Cuba.

Mozambican Judicial Leader Upholds Solidarity

FL2206214994 Havana Radio Rebelde Network in Spanish 2300 GMT 21 Jun 94

[From the "Exclusive" program]

[Text] Marcelino dos Santos, Mozambique's Assembly president, said during a news conference that there is an historic demand for Frelimo [Mozambique Liberation Front] to win the elections and there is no possibility that its main opposition, Renamo [Mazambique National Resistance], could wage a war as UNITA [National Union for the Total Independence of Angola] did in Angola after the elections.

Dos Santos also said the conditions under which his country will celebrate its national holiday on 25 June. Dos Santos stressed that he was in Cuba to learn firsthand the situation there and the manner in which the people are ready to resist and triumph.

[Begin Dos Santos recording, in Portuguese] I would like to express our complete solidarity with the Republic of Cuba. We must fight this international illegality, the economic blockade against Cuba, which is an international bastion.

Let us not forget that the peoples of the world need Cuba to remain firm, and that it is important for the progress

of all peoples. Furthermore, I would say the victory of the Cuban people is necessary for all the peoples of the world. [end recording]

Osmany Cienfuegos: Tourism To Exceed Sugar in Revenue

FL2306014694 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jun 94

[Interview with Minister of Tourism Osmany Cienfuegos by Felix Fernando Garrido on the "Exclusive" program—recorded]

[Text] [Garrido] On the first day of the fourth Ibero-American Symposium on Tourism, Politburo member Osmany Cienfuegos, Cuban Minister of Tourism, made the following comments for this newscast:

[Begin recording] [Cienfuegos] First of all, I believe this is an important effort. This helps to establish a closer relation among our peoples and I believe that the effort to hold the symposium in the municipality where tourism is actually carried out is an important thing. In this, we have a lot to learn and we have already begun. We believe that an event such as this helps us and our comrades to understand the importance of the development of municipal tourism so we can learn from the things done in these countries.

[Garrido] This is the fourth symposium. What do you think have been the main results of the past three and what are the expectations for this meeting?

[Cienfuegos] The main achievement is making sure this type of event continues to be held. I believe that is the most important thing. We must make sure the symposium is permanent.

[Garrido] Are there expectations on the self-sufficiency of the tourism activities at the base level? Undoubtedly, this also has another purpose. What is your opinion on this?

[Cienfuegos] If we do not achieve self-sufficiency at the base level, then it is not a base activity.

[Garrido] We have heard that the goal is 1 million tourists for 1995.

[Cienfuegos] There has been talk about 1 million tourists in 1995 and of 1 billion [currency not specified] in income. The goal of 1 million tourists in 1995 will not be met. We will reach the goal of 1 billion, however, which is probably the most important thing. We will reach 1 billion in 1995.

[Garrido] Where would you place tourism regarding its importance in the Cuban economy?

[Cienfuegos] Tourism is one of the main sources of income. That has been said before. Comrade Fidel himself said, during the meeting in Varadero, that tourism is destined to be the main source of income for

Cuba. This year, it is likely to be the main source of income as a consequence of the small sugar harvest we had.

[Garrido] Thank you very much. [end recording]

GRANMA Discusses Production of Cigarettes

FL2206155994 Havana Radio Reloj Network in Spanish 1408 GMT 22 Jun 94

[Text] On 22 June, GRANMA reported that producing 60 million cigarettes a day satisfies the demand for regulated and extra quotas, as well as unregulated sales of cigarettes. The article cites the Agriculture Ministry's tobacco enterprise union as saying that the eight cigarettes factories are at full production capacity. The article points out that 14,468,900 packs of cigarettes were distributed to the population between 1 June—when cigarette sales were deregulated—and 16 June. The demand for unregulated cigarettes on the national market, initially high, has decreased. This has helped market stability.

Havana City Water Authority Explains Shortage

FL2206133894 Havana Radio Progreso Network in Spanish 1100 GMT 22 Jun 94

[From the "First Thing" program]

[Text] The Havana City water shortage is primarily due to a decrease in the level of the phreatic layer of the Vento Basin and multiple pump breakdowns. Water service authorities have reported that the Havana City municipalities most affected by these shortages include: Centro Habana, Habana Vieja, Cerro, and Plaza de la Revolucion.

Roundup of Criminal Activity

FL2206143894

[Editorial Report] The following is a compilation of reports on criminal activity monitored between 16 and 22 June.

Las Tunas Authorities Enforce Self-Employment Rules—The administrative council in Las Tunas Province, which is enforcing Decree 186 on self-employment, has issued 884 summons, resulting in 103 fines totaling 107,000 pesos. Las Tunas and Puerto Padre Municipalities had the highest number of incidents, 72 and 13 respectively. Taxi drivers, handicraft makers, shoemakers, farm produce vendors, cart drivers, lighter refill vendors, and unauthorized fast food vendors commit most of the violations. Local labor and social security officials plan to register handicraft makers by specialty. (Havana Radio Rebelde Network in Spanish 1155 GMT 16 Jun 94)

Havana City Meat Processing Plant Under Investigation—The Sido Redondo meat processing plant, in San Miguel

del Padron Municipality, Havana City, is under investigation. A Ministry of Finances and Prices audit has noted, among other administrative faults, that over 15 tonnes of beef, valued at over 22,000 pesos, has disappeared; that over 39 tonnes of meat, valued at over 56,000 pesos, was diverted to the plant workers' cafeteria; and that over 48 tonnes of meat has been turned over to unauthorized organizations. The police have arrested eight of the plant's administrators, who will be tried once the investigation is completed. (Havana Radio Progreso Network in Spanish 1100 GMT 20 Jun 94)

Soybeans Stolen From Havana Port—Police continue to arrest truck drivers who were stealing tonnes of soybeans from Havana port. The truck drivers, working for the Construction Ministry, were arrested and charged with stealing tonnes of soybeans destined for animal feed factories. The truck drivers took advantage of the lack of control at the port to commit this crime. They were diverting the soybeans to the black market. The drivers confessed to the charges and said that they were paid 5,000 pesos for every five tonnes of soybeans that they stole. (Havana Radio Progreso Network in Spanish 1100 GMT 22 Jun 94)

Haiti

FRAPH Changes Name, Urges General Strike

FL2206224494 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jun 94

[Report by Jean Luckenson on news conference held by the Armed Revolutionary Front of the Haitian People, formerly Revolutionary Front for the Promotion and Progress of Haiti, FRAPH, on 21 June—passages within italics in Creole]

[Excerpts] [passage omitted] [Luckenson] *They have gone from threats to action. FRAPH, which stood for the Revolutionary Front for the Promotion and Progress of Haiti, has become the Armed Revolutionary Front of the Haitian People and has called for a general strike for 24 June. FRAPH leader Emmanuel Constant, in tiger-striped pants, a black t-shirt, with a gun around his waist, asked the head of the provisional government, Attorney Emile Jonassaint, who is not recognized by the international community, to close the doors of his ministries to protest the actions of first U.S. citizen, Mr. Clinton; the 16 December president, Dr. Aristide; new U.S. charge d'affaires in the Haitian crisis, Mr. William Gray; and the deaths of the 143,000 children who have already died. These deaths are part of the negative results of the unfair, criminal international embargo imposed on the Haitian people.*

This statement was made by Emmanuel Constant during a news conference on 21 June at about 1500. [passage omitted]

A few days after Clinton's executive order, Louis Jodel Chambelain, founder of the party, said it is a serious time

and the leaders of all political parties, all sectors of national life must break their silence. The Front, which shares the opinion of President Jonassaint, who said that only elections can solve the country's problems, is wondering if the elections will be held. Meanwhile, the national coordinator of the party, Louis Jodel Chambelain, who was wearing a grey suit, appeared in public for the first time since his last statement, asking the international community to ensure his safety. [passage omitted]

Chambelain congratulates the foreigners who continue living in Haiti despite the country's hard times and tells them there is no problem; they are safe. Chambelain also took the opportunity to severely criticize certain ministers who are part of the 11 May government, which most parliamentarians have accused of abusing authority. He took the opportunity to denounce the administrative mess prevailing in public offices, which a small group continues to enjoy even though they never work.

For his part, Constant said [quote] the Fatherland is in danger and a state of emergency has been ordered by the 11 May president. As previously announced, we have gone into action today, not to create a parallel body, but to (?work under the supervision) of the Haitian Armed Forces [FADH]. For the time being, we are first aid workers whose mission is to protect the national territory. We are working 24 hours a day. Unquote.

[Begin Constant recording] We have decided to become the Armed Revolutionary Front of the Haitian People, as we have been saying since 17 August. This does not mean we want to create a parallel body, on the contrary, we want to put ourselves in the service of the FADH, or

at least with the colors and the institutions in charge of preserving the sovereignty of the territory.

First, we have become first aid workers. First, we have become first aid workers [repeats] because of the state of emergency. Second, we are always ready, 24 hours a day, to protect the Haitian territory and to protect the people who wish to leave on boats, who will even set out for Guantanamo; to prepare our traditional arms, not fire-arms, but traditional arms, which will be used throughout the country in case of invasion because it is (?easy) to land in Haiti by dropping bombs....[end recording]

[Luckenson] Journalists reminded Constant that the government issued a communique saying that only the FADH are authorized to carry weapons on national territory. Constant replied that in case of an intervention, the Haitian Army will be obliged to accept all citizens who come to help it defend the national territory as Haitians. The FRAPH secretary general called on journalists to seize the opportunity to get images and pictures of the FRAPH members because this would be their last news conference. After this, there would be no one in the offices because they were going to withdraw to strategic areas to make traditional weapons such as pikes, magic potions, hammocks, and other materials to be used in case of foreign intervention.

Constant pointed out that foreigners must respect President Jonassaint's latest communique concerning strategic areas. He believes that as noted in the communique, the Jonassaint government will not agree to planes being used for propaganda.

New Armed Group Threatens EZLN-Type Uprising
PA2306044294 Mexico City LA JORNADA in Spanish
22 Jun 94 p 13

[Report by Yolanda Lopez Ordaz]

[Text] Tapachula, Chiapas, 21 Jun—In an open letter, the Mexican Southeastern Revolutionary Peasants and Workers Front (Frecoms), which is an armed group that allegedly operates in the region and which has threatened to stage an uprising similar to that of the Zapatist National Liberation Army [EZLN], requested a meeting with Chiapas Governor Javier Lopez Moreno "to find peaceful solutions and to participate in the Chiapas peace talks."

The Frecoms appeared for the first time on 31 March, as the local EL ORBE newspaper published a report on a meeting between the newspaper and Subcommander Pedro, a meeting during which he announced the emergence of this armed group, which is willing to take up arms, as the EZLN did, should the government "fail to meet people's demands." During the meeting, Subcommander Pedro pointed out his organization is not connected with the EZLN and other groups that operate in the Central American isthmus.

According to the report published by EL ORBE, the Frecoms has active members in Chiapas, Tabasco, Campeche, and Oaxaca States. Subcommander Pedro also said his organization wants a change toward democracy.

Today in EL ORBE, this alleged armed group published an open letter requesting a meeting with Governor Lopez to participate in the peace negotiations. Archbishop Arizmendi Esquivel reported that, according to information provided by the 42 priests who make up this dioceses and who visit the communities of La Costa, Soconusco, Frontera, and Sierra, "this armed group does not exist."

He added that the priests are in constant contact with the residents of this region as well as with the catechists, and "no movements by armed people or groups that are part of a front similar to the EZLN have been detected, unless it is so secret, no one knows about it so far."

The Tapachula bishop, however, did not rule out that some people are trying to manipulate the population, trying to stage an uprising to meet personal demands, or that someone simply wants to make "more noise." This is why he urged the population not to be concerned by broadcast information that goes beyond what prudence dictates and why he asked the media to be careful in the handling of this type of news, which could trigger uncertainty among the population.

The priest underscored that fighting for the rights of individuals and groups is beneficial, but he asked people not to take up arms and make threats, which leads only to violence and confrontation.

Ecuadoran Priest Linked to Armed Group Expelled
PA2206151294 Madrid EFE in Spanish 0657 GMT
22 Jun 94

[Text] Mexico City, 21 Jun (EFE)—The existence of armed groups in Mexico, denounced by Zapatist National Liberation Front [EZLN] leader Subcommander Marcos, has been tacitly confirmed by the Mexican Government by its expulsion of Ecuadoran Priest Marcos Gonzalo Holla del Salto, who was charged with having led a group of armed civilians.

Holla del Salto, 59, was accused of leading and arming a group of civilians in the eastern state of Puebla with shotguns, .22-caliber rifles, and other small arms. The authorities have not disclosed any details about the group, but Holla del Salto was expelled for having forged Mexican citizenship documents.

The Ecuadoran priest was arrested Sunday in Chapulco, Puebla, 180 km east of the Mexican capital, and he was expelled from the country Monday, which prompted protests by some 500 of his followers who blocked local highways to demand his return.

Holla's arrest and the existence of his armed group aroused the concern of a group of senators, who asked the government to investigate the existence of organizations such as this one, particularly in areas susceptible to unrest.

The Mexican Government must detect "additional armed groups in areas in which there may be social conflicts," said Institutional Revolutionary Party (PRI) Senator Alger Leon, chairman of the Senate Defense Commission.

German Sierra, a senator from Puebla, asked authorities to dismantle the armed group organized by Holla del Salto, who lived in Chapulco. Sierra also admitted that the authorities were aware of Holla's activities for some time but had failed to act to avoid confrontations with the fanatics who sheltered him. Senator Sierra denied the priest was involved in drug trafficking or that he had connections with other guerrilla groups in the country, characterizing the existence of the Puebla organization as no threat "because its members do not have high-caliber weapons."

The Secretariat of Defense recently admitted that it had unsuccessfully investigated reports that approximately 2,000 AK-47 submachine guns, which are known in Mexico as "goat horns," had entered the country. According to the reports, the weapons, allegedly part of a larger shipment, may have been intended for drug traffickers or armed groups in certain southern Mexico states.

The Ecuadoran priest, who arrived in Mexico in December 1961, managed to leave Mexico to further his religious studies in Europe and to reenter the country on several occasions using false documents. According to records, he resided in Chapulco.

Puebla State and southern and southeastern Mexico, including the state of Chiapas, are the areas with the highest rate of poverty and, therefore, are the areas in which the probable existence of armed groups is the highest.

Subcommander "Marcos" of the EZLN, which staged an uprising on 1 January in Chiapas in southeastern Mexico, says he has been informed that there are other armed groups in the country. Subcommander "Marcos" said: "The government's blindness prevents it from seeing that there are armed groups in various parts of the republic, that they are multiplying, and that a civil war is imminent."

Salinas: Government To Maintain Chiapas Commitments

PA2206184594 Mexico City LA JORNADA in Spanish
17 Jun 94 p 18

[Text] Last night, President Carlos Salinas de Gortari said the government of the republic will maintain the economic and social commitments made in the San Cristobal de las Casas dialogue, which was aimed at finding a political solution to the armed conflict in Chiapas.

After learning of the resignation of Manuel Camacho Solis, peace and reconciliation commissioner, the president announced the tasks to achieve peace in the state have been placed under the coordination of the spokesman of the executive office, headed by Governor Javier Lopez Moreno.

The president met with Manuel Camacho Solis, who presented his resignation as Chiapas peace and reconciliation commissioner, during the afternoon. The Mexican president acknowledged that the former foreign secretary had done his work in Chiapas "with personal honesty, political talent, and a desire to serve."

The president said the work Camacho Solis began on 10 January contributed to the government-ordered cease-fire and the San Cristobal de las Casas dialogue.

Meanwhile, Diego Fernandez de Cevallos, presidential candidate of the National Action Party (PAN), has said "it seems to me the decision expressed in Camacho Solis' public statement is respectable," adding the resignation letter of the now former commissioner is "serious and honorable."

Last night, the legislative faction of the Party of the Democratic Revolution (PRD) in the Chamber of Deputies issued a statement stating Camacho Solis' resignation "indicates a break with those who want to reduce the demands for democracy to their minimum expression and entails severe criticism of the chief of the executive due to his inability to restrain the government's most hardline sectors."

The PRD deputies have said Camacho's decision will create great tension among the participants in the Chiapas conflict and "increase the danger that hostilities will break out at any moment."

The PRD, the legislators have said, will insist with "every possible means" that it is necessary to continue seeking a political solution to the Chiapas conflict and a concrete and satisfactory reply to the Zapatist National Liberation Front's demands for real democracy.

Amalia Garcia, who participated in the meeting of intellectuals and politicians who proposed a peaceful transition to democracy, has said it was "unfortunate" that politicians with jobs "are relegated, while the opinions of those who maintain a hardline position in politics or who promote arbitrary decisions gain ground." She said this is a sign that the members of the government who "have favored dialogue and political negotiation are being pressured and excluded."

EZLN's Marcos Cited on Camacho, Elections

PA2206183794 Mexico City LA JORNADA in Spanish
20 Jun 94 p 1-8

[Report on interview with Subcommander Marcos of the Zapatist National Liberation Army by Gaspar Morquecho in the Lacandona Jungle, Chiapas, on 19 June; all quotation marks as published]

[Text] Lacandona Jungle, Chiapas, 19 Jun—"I believe Camacho is a courageous man. He clearly stated why he was resigning because he had made a serious effort here." This is how Subcommander Marcos appraised Manuel Camacho's resignation as commissioner for peace and reconciliation in Chiapas during an interview he granted in the jungle. He also talked about the National Democratic Convention, elections within EZLN [Zapatist National Liberation Army]-controlled areas, and reactions to the Zapatists' rejection of the peace accords.

[Morquecho] What is the EZLN's reaction to Camacho's resignation as peace commissioner?

[Marcos] As we see it, on one hand, Mr. Camacho's resignation shows a lack of understanding by one of the presidential candidates—namely, Mr. Zedillo—to the significance of a dialogue and the negotiations process.

"In his blindness, he does not see the advances made, such as the postponement of the cease-fire, the assurances that it will be respected and that one side will not attack the other, that the electoral process has gotten under way, and that elections can be held nationwide. All of these are achievements reached at the negotiating table in San Cristobal, and merit must definitely be given to the mediator and the commissioner.

"When Mr. Zedillo invalidates, diminishes, or undercuts the work done by the commissioner, he is really undermining his position and is taking the position of

demanding a surrender. "Mr. Zedillo sees the lack of a surrender as a failure. How can we trust this candidate? If he wins the presidency, how can he be open to negotiations or have a conciliatory attitude in resolving the Chiapas conflict or, more specifically, the EZLN conflict?"

"It is definitely a low blow by the PRI [Institutional Revolutionary Party] to the efforts made to advance the dialogue and the negotiations, and it reflects a historic blindness to see the advances that were made.

"What we also see is that when Camacho made the proposals in response to the EZLN demands, he made an honest effort and acted responsibly. He worked to get responses that would satisfy our demands during the consultations, especially after Colosio's murder. An interest group somewhere or a power group within the federal government started to block all of the initiatives geared to supporting those proposals, forcing us to notice that no promises were going to be kept, and giving the impression that Mr. Camacho had failed to obtain the EZLN's unconditional surrender. The idea was to keep him busy so he would not overshadow the PRI candidate in the middle of a campaign which, everyone knows, is extremely weak.

"It seems to me that Camacho is courageous. He is clear when he says why he is quitting because he made a serious effort and we have acknowledged this. His efforts have been invalidated by a man who is attempting to become the president of the republic for the government party. The fact that he quit and said why he was doing so shows that Camacho is a brave man."

[Morquecho] What can you tell us about the National Democratic Convention the EZLN has called for?

[Marcos] From the outset, the Chiapas civilian sectors' response was very perceptive because they were able to clearly see, I imagine, the problems of a civil war, as well as the need to find a solution, because, in one way or another, they are the ones who will have to endure the brunt of a war.

"Chiapas civilian society understands that a convention is the only chance worth taking in the process to achieve change. A national-level response to this proposal is still lacking. Several sectors have already taken a stand, but still very few have done so.

"We want to clearly state that the National Democratic Convention is not an EZLN convention, that is to say; it is not a convention to vindicate the armed struggle but, rather, a convention to search for a peaceful change and for a political path to democracy.

"There is the fear that it will be a Zapatist convention which could result in the vindication of the armed struggle—the vindication of the EZLN, led by the EZLN.

"We are not proposing that the convention declare itself in support of the armed struggle. Just the opposite is true. We are saying the convention must declare that it

will do something. It must not sit and wait for 22 August but, instead, do something before then and make an effort that is worth making. We have nothing to lose by trying to determine whether it is still possible to push for a peaceful transition to democracy.

"I am interested in clarifying this because I have read that it might be interpreted that the convention would be the political arm of the EZLN.

"The National Convention will be the political arm of the democratic struggle, just as the EZLN is the military arm of the democratic struggle. In terms political experts like to use a lot nowadays, the hard line comprises the EZLN, and the conciliatory or peaceful line comprises civilian society.

"We are asking civilian society to organize more and not to be divided. It could be through the convention, or it could be through something else. By convening the convention, we are responding to people who tell us: I want to do something; I do not agree with the armed struggle, but I do agree with democracy. Therefore, we are telling them: Well then, meet.

"We are offering them territory, support, protection, and an idea of what could be. We are also offering an explanation of what led us to take up arms, and which might take you to the ballots. That would be the convention, and it would be good if this were clear, right now, before it is held."

[Morquecho] Talking about elections, what does it mean not to hinder the electoral process in the zone under Zapatist control?

[Marcos] "We are willing to permit the entry of candidates who want to campaign, the entry of ballot boxes, the holding of the vote, and we are willing to give guarantees so there will be no interference from our forces in this entire process. We are appealing to the International Red Cross [IRC] to verify that there is no aggression on our part, foreseeing there might be provocations that might be blamed on us.

"That is one of the achievements of the negotiations, the opening of the door by the most radical sector of democracy—the hard democratic line, which is the EZLN—so the peaceful transition that civilian society demands so much will take place.

"We are yielding the ground won by civilian society, the ground on which it can conduct its work, which, in this case, is the electoral process in August. We will offer every assistance, even decidedly standing back, if there are guarantees that this will go down on record.

"This is why we are appealing to nongovernmental organizations [NGO's], mainly those being organized in Chiapas, to monitor this process, ensuring it is held normally within our guidelines.

"This does not mean we are now calling on people to vote; it simply means we are not going to interfere and

we are going to be consistent with the position we expressed in January when we said we were not planning to interfere in the electoral process in August."

[Morquecho] This means there will be polling officials and representatives of the parties. The intervention of the IRC and NGO's is being requested. This would involve voting tables at polls in the areas under Zapatist control.

[Marcos] "Yes, but the difference is that these elections will be the first ones organized by civilian society in national territory. In other words, we are turning over to the NGO's the organization of everything that must be done here in Zapatist territory.

"We think it is an interesting barometer for the rest of the country and the rest of civilian society to see elections that are organized neither by the government nor an armed organization in rebellion, and instead are organized by that third force, whose belligerence we recognize and which is civilian society itself.

"It would be a great nonbellicose advance—I mean, an unarmed and nonviolent advance, a peaceful advance. Civilian society would organize those elections in our territories. That would be the big difference."

[Morquecho] Then, there is an open invitation to all candidates from every political party, in this case the government party?

[Marcos] An open invitation? No, because there are some people for whom we feel nothing but contempt. We will simply not oppose to their doing whatever they have to do, but we will not welcome them with open arms, especially those who would seem to have suddenly forgotten what their elections record is in a state in which fraud was so notorious that they even got elected as senators with the so-called people's support.

"Let us not forget. We know what history is, and we must acknowledge it. We will not prevent them from campaigning, but the population of those regions under Zapatista control are quite aware of who's who. We guarantee that there will be no attack or interference of any sort. We are definitely not inviting everyone, but if they want to come, we will not prevent them."

[Morquecho] What were the reactions in Chiapas with respect to the Zapatist opposition to the signing of a peace agreement? Is there any apprehension as a result of some of the reactions? I am referring now to opposition from the cattle ranchers, the government, and the Army.

[Marcos] Once again, the Army is using phrases like "transgressors of the law" and "violence professionals." These are expressions it had discarded. The important issue here is that they had agreed to respect the cease-fire, but now they are leaving it open to the decision of their commander in chief who, in this case, is Mr. Salinas de Gortari.

"While the EZLN is guaranteeing that it will respect the cease-fire and is making every effort for it not to be broken, so far, the Army is honoring it, but it is not giving any assurances that it will last. It is also making the military climate somewhat unstable and is blocking the elbow room we were trying create—the elbow room of a peaceful transition.

"On the other hand, the ranchers' reaction is contradictory because what they wanted was our surrender, which would have brought about peace. Now they are criticizing the government for not to adopting a hard-line position. They do not want negotiations. They want the Zapatists broken once and for all, if they fail to accept what they are offered.

"This reaction is understandable. It unmasks, once and for all, the alleged mediating position adopted by those ranchers who were seeking public office, already negotiating, involved in a dialogue, and who knows what. The masks they wore have finally been removed, and once again they have returned to the position they have always held.

"All of this is aimed at misleading the voters into not believing that the so-called Indian—Mestizo, or Ejido—cattle owners formula can fool someone. [sentence as published]

"On the other hand, the PRI, which has always been very insightful in implementing the best possible policies in this state—evidence of this lies in the fact that we decided to take up arms—chose to name as candidates to public office people who have always been widely unpopular. Several of these people are not even known, have always adopted a middle-of-the-road position, and have never been to the districts they say they represent. There are others who undoubtedly represent a repressive tradition, such as that of the cattle ranchers.

"The election climate throughout the state clearly shows that the PRI's permanence is also the continuation of the same conditions that forced the EZLN to take up arms and remain armed. It has been clearly demonstrated that the PRI, at the state level—and we still have the national level to consider—is the party that understood the war the least, as well as the fact that it is the party that is responsible for determining if this continues or comes to an end.

"The PRI has not understood or assessed the situation. It still believes that things can remain the way they were before by simply changing its speeches, by discussing the masses more, or by supporting the rights and interests of the Indian population. Even the ranchers have resorted to this, as if it were possible to erase the track record they have accumulated.

"No candidate running for public office has ever come here to the Zapatist territories. Neither have the municipal presidents of Ocosingo or Las Margaritas gone any further than those communities. The municipal president of Las Margaritas never went any further than Las

Margaritas. The Ocosingo municipal president never went any further than the brewery located at El Jatate crossing.

"The only candidate running for public office that has entered Zapatist territory, but when it was not yet a Zapatist region, was Cuauhtemoc Cardenas, who is candidate for the presidency of the republic—but not one deputy or replacement, whether on a slate or a single ticket, or anything. Not even one candidate running for municipal president ever came to this region to request votes from places where they supposedly won with 100 percent support."

Zedillo Urges Solution to Chiapas Conflict

PA2306014294 Mexico City LA JORNADA in Spanish
21 Jun 94 p 12

[Article by Alonso Urrutia]

[Text] Yesterday, Ernesto Zedillo, PRI [Institutional Revolutionary Party] Mexican presidential candidate, said that to end the Chiapas conflict, the government of the Republic should "establish, as soon as possible, a board with political and social representation, and authority to engage in a dialogue, in a definite negotiation," with the Zapatist National Liberation Army [EZLN].

The candidate who headed the installation ceremony of the Consulting Board of the Mexican Foundation Cambio 21, Luis Donaldo Colosio, said that a political solution to the continuing conflict is the only answer. "The only road to peace is the political process." No progress, no true solution will be possible through violence. [quotation marks as published]

Before approximately 50 councilmen assembled at the Museum of Mexico City, Zedillo said the political process is "the pluralistic, participative, and legitimate forum" to implement changes and to solve differences.

Zedillo assured that democracy is the supreme value of the political process and that it is indispensable for Mexico's progress. "All economic progress, all social improvement can only last within a democratic framework."

Zedillo noted that in the past years, electoral reforms have been fostered and that these reforms have allowed adaptation of legislation to society's requirements. He talked about the Senate's new configuration, the elimination of the clause of governability in the Deputies Chamber, the "decisive presence" of citizens in the Federal Electoral Institute, as well as the establishment of ceilings for campaign spending.

Nevertheless, he recognized that it is necessary to improve the system. "Democracy cannot be imposed by the government, by a political party, by an ideological current, or by a group. Above all, democracy cannot be

imposed nor perfected by the use of violence or by appealing to measures outside the law or institutions."

Zedillo emphasized that Mexico is a pluralistic society, expressed through a regime of parties with diverse visions, but, he added it is also a nation of laws and institutions. "Democracy is based on the enforcement of our state of law."

The candidate added that Mexican democracy is strengthened by greater participation and the presence of its community and its organizations. "One of the challenges our party faces is to recognize and foster citizen participation, including those who say they are not active in any political party."

"Political parties should encourage citizens and organizations to participate, however, citizens in turn should respect the multiparty activists and the functions the Constitution grants them as entities of public interest."

Zedillo said it is necessary to progress toward the perfection of democracy through the internal strengthening of political organizations "to invigorate our electoral processes and to overcome abstentionism and skepticism." An important factor for democracy is dialogue."

The conflict that emerged in Chiapas is a signal to the nation's conscience, Zedillo added. In Chiapas, we share in the responsibility to undertake serious social reforms to assure each family, each community, adequate living conditions and genuine opportunities for the well being of everyone."

"It is our obligation to find a true and speedy resolution of economic and regional problems. We share in the desire for peace in Chiapas to be obtained quickly and with justice, based on a dialogue, understanding, and the best intentions of the parties involved in the conflict."

"No true resolution will be possible through violence. A resolution will only be possible in a climate of peace, respect for the law, and constructive dialogue. This is why we reject the use of force. This is why we appeal that resolution to this conflict be sought through the political process, that the resolution to the Chiapas conflict be found through dialogue."

Views Foreign Observers' Participation

PA2206135194 Mexico City NOTIMEX in Spanish
1840 GMT 21 Jun 94

[Text] Mexico City, 20 Jun (NOTIMEX)—Ernesto Zedillo, Institutional Revolutionary Party (PRI) presidential candidate, described foreign observers' participation in the upcoming elections in Mexico as a "major step forward."

"This is the first time our electoral legislation has recognized this type of participant. I believe this is a major step forward," Zedillo, a 42-year-old economist

who has a doctorate degree from Yale University, said during an interview with the Mexican newspaper EL SOL DE MEXICO.

The "foreign visitors" category was incorporated this year into legislation that allows, together with an invitation to the United Nations, international observers to issue a technical report on the Mexican electoral process.

Zedillo said this measure, together with new electoral provisions, "fosters better conditions so that anyone who is interested may witness that the Mexican elections will be an example of legality and democratic commitment."

Approximately 45 million Mexicans carrying their electoral card with their photograph will be called to the polls to elect a new president and renew part of Congress on 21 August.

Zedillo also said there is no party in Mexico with the organizational capability, structure, militancy, and social involvement as the PRI, which has uninterruptedly governed the country since 1929.

The presidential candidate said "Mexico is a substantial part of Latin America," and that is an irreplaceable and invaluable condition of its geographic location and the civilization to which Mexicans belong.

"A fundamental idea that must guide Mexican politics toward Latin America is to promote a greater cooperation toward two of our geopolitical borders—Central America and the Caribbean."

"It is fundamental for us that cooperation prevail in that region" so as "to maintain and improve the different mechanisms for consultation and consensus, including the Group of Three, the Rio Group, and the Ibero-American Conference," he added.

"It is also important to decidedly continue the promotion of regional integration and foster the expansion and consolidation of opportunities for free trade and economic complementarity, as we have done with Chile, Costa Rica, Colombia, and Venezuela," he added.

Zedillo, one of the nine presidential candidates, added he will promote an "ambitious program of reform that will provide a tax framework that will be competitive at the international level," if he wins.

He also said he would stimulate competition through a greater opening of the financial sector and promote greater deregulation in order to expand the variety of financial services and expedite more businessmen's access to the debt and capital market.

In addition to Zedillo, other top contenders for the Presidency include Diego Fernandez de Cevallos, of the conservative National Action Party, and Cuauhtemoc Cardenas, of the Party of the Democratic Revolution.

El Salvador

Security Academy Director Attacked; 3 Dead

PA2206181794 San Salvador LA PRENSA GRAFICA
in Spanish 19 Jun 94 p 5

[Text] An attack on Dr. Mario Bolanos, director of the National Public Security Academy (ANSP), who was unharmed, and subsequent armed confrontations left three people killed yesterday. One of Bolanos' bodyguards was killed in the attack, which occurred as Bolanos traveled along the Panamerican Highway in Usulután.

The attack, which occurred at the Mercedes Umana turnoff yesterday morning, happened when seven individuals riding in other vehicles attacked Bolanos' car by surprise.

Bodyguards accompanied the director of the ANSP, which trains National Civil Police [PNC] agents.

The criminals fled after realizing the attempt on Bolanos' life had failed. Therefore, all PNC offices in the Eastern Zone began an operation to find those who executed the attack.

One of the vehicles in which the assailants rode was found in Berlin, where police clashed with the criminals. One of Bolanos' bodyguards, whose identification was not disclosed, was killed in this incident.

After this clash, PNC agents and some of Bolanos' bodyguards began to chase the criminals and caught up with them on 4th West Street and 7th Northern Avenue in the neighborhood of La Merced in Usulután, where an armed confrontation took place. Two criminals were killed, and one was wounded in this clash.

One of the dead was identified as Luis Alberto Ostorga Mejia, a 44-year old from Estanzuelas, Usulután. More than 1,000 colones were found in his possession, money that was presumably stolen. The other dead man was not identified. According to the subcommissioner in charge of the operation, however, he was approximately 30 years old, wore blue pants, a white shirt, and tennis shoes. He had 3,000 colones, a watch, a chain, and a yellow ring.

The suspect who was wounded was not identified. He was taken to San Miguel Regional Hospital under police custody.

The three suspects were riding in a white Toyota van, license plate No. MI-2416, presumably stolen. They carried no auto ownership papers, and the vehicle was identified as a van owned by an international mission.

A Motorola radio, an AK-47 rifle, a Bronx weapon, and a sawed-off Uzi machine gun were found inside the vehicle, but none of them were registered under the criminals' name.

PNC sources consulted in San Salvador confirmed the attack and stated a team is already investigating it.

May Inflation Rate Steady; Prices Unchanged

PA2106195694

[Editorial Report] San Salvador EL DIARIO DE HOY in Spanish on 17 June on page 12 reports the Economy Ministry's General Directorate of Statistics and Census has reported that prices remained unchanged and that inflation was kept in check during May. According to a communique from that office, the average inflation rate is 0.82 percent for the first five months of 1994.

Guatemala

URNG, Government Agree To Extend Negotiations

PA2206215894 Guatemala City SIGLO VEINTIUNO
in Spanish 19 Jun 94 p 3

[Text] The government and URNG [Guatemalan National Revolutionary Unity] delegations meeting in Oslo to discuss issues related to the creation of a Truth Commission or mechanisms to clear up the past, agreed to extend negotiations for four more days, as suggested by the Norwegian Government, to reach an agreement to prevent the peace process from falling apart.

Guerrilla Commander Rolando Moran said there are still several issues to be discussed with the government's peace commission, which is the reason both sides agreed to remain in Oslo where this new round of negotiations began last Monday.

He added that *there is openness with respect to an issue that has been under discussion since last year, but it is very difficult and problematic. The main challenge is to reach the end of the process with a political solution to the armed conflict that will not exclude an investigation into war crimes, because these crimes are part of the country's reality.*

Meanwhile, Hector Rosada, president of the government's Peace Commission (COPAZ), commented that *there has been substantial progress, leading us to believe that there will be an agreement. He also stressed that the government does not fear confronting the truth. It is necessary for us to confront the past in order to brave the future. However, the greatest problem lies in doing what is right and that whatever is agreed upon has a political reality in the short run.*

Even though the negotiations are currently in the most difficult stage, Jan Egeland, secretary of state of the Norwegian Foreign Affairs Ministry who is participating in the negotiations, believes that *if they do not continue discussing the issue, the entire peace process will be jeopardy. It is for this reason that Norway has the moral obligation to ensure that all possible instruments leading to an agreement may be at the disposal of all parties, because these are practical and significant problems.*

In addition, it was learned that there is a rough draft of a document presented by the UN regarding the makeup of the investigative commission. In addition, there is another recommendation presented by the Guatemalan civilian sector that includes Argentine Nobel Peace laureate Adolfo Perez Esquivel. This proposal was rejected by the government delegation because they believe Perez Esquivel is *too politicized*.

Before the beginning of the talks, which were originally scheduled to conclude yesterday, the host country was too optimistic. Despite the fact that there is still no agreement with respect to the Truth Commission, they underscored progress made in the negotiations by pointing out the agreement signed on Friday concerning the relocation of people uprooted as result of the armed conflict.

Foreign Minister Views Planned Trip to U.S.

PA2206175094 Guatemala City Teleonce Television in Spanish 1900 GMT 21 Jun 94

[From the "Telepress" newscast]

[Text] Foreign Minister Maritza Ruiz de Vielman will leave for the United States today to discuss several commercial matters in Guatemala's relation with that country, the peace process, and other topics.

Vielman commented on this visit during an impromptu news conference:

[Begin recording] [Vielman] I am going to discuss the travel warning [previous two words in English], the progress of the SGT [expansion unknown], and the so-called parity, which is the temporary treatment the U.S. Government would give to Central American imports to partially align them with the benefits that NAFTA grants.

It is also important to present to the U.S. Government the progress made in the peace process, especially because the United States is one of the friendly countries that supports the Guatemalan peace process.

I will also meet with the administrative personnel of certain congressmen who have visited Guatemala to assess the country's situation; therefore, it is important that they hear, from the Foreign Ministry, the government's position on various issues. I also plan to grant interviews to the media, such as CNN and others. The Guatemalan Embassy is in charge of that.

[Unidentified reporter] When will you travel?

[Vielman] Today.

[Reporter] How long will the visit last?

[Vielman] Three days. The Guatemalan Foreign Ministry can give you the list of meetings I will attend. I have scheduled meetings that will last 30 minutes or one hour each. I have a busy schedule.

[Reporter] Who will accompany you?

[Vielman] Our ambassador to Washington, Fernando Suzen, director of Multilateral Relations, and Foreign Ministry Adviser Francisco Villagran De Leon.

[Reporter] Will anyone from the private sector go?

[Vielman] No, not on this occasion, but I am taking with me a copy of an Economy Ministry document on the meetings it held with the private sector last month. We have already coordinated everything so that the position of the government and the private sector will be coherently presented in Washington. [end recording]

Roundup of Economic Developments

PA2206145094

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 21 June.

Finance Minister Ana de Molina said on 15 June the directors of the Paris Club set September as the deadline for Congress to approve renegotiation of the debt. If the debt is not renegotiated by then, the exemptions and advantages previously negotiated with the Paris Club members will be canceled, and Guatemala's image abroad will deteriorate. (Guatemala City SIGLO VEINTIUNO in Spanish 16 June 94 p 6)

Willy Zapata, president of the Bank of Guatemala, said on 15 June there is no reason to believe that a depreciation of the currency will occur at this point or that there will be currency exchange problems during the year, because the mechanisms the Bank of Guatemala has implemented are yielding positive results. (Guatemala City LA REPUBLICA in Spanish 16 June 94 p 4)

The Spanish Government has expressed its support for President Ramiro de Leon Carpio's government by accepting the total payment of \$115 million for the debt incurred when the plant Celgusa was built. In order to pay this debt, the plant will be sold for U.S. Treasury bonds. (Guatemala City SIGLO VEINTIUNO in Spanish 17 June 94 p 5)

Honduras

Workers, Peasants, Teachers Demand Salary Raise

PA2206230594 Mexico City NOTIMEX in Spanish 0122 GMT 22 Jun 94

[Text] Tegucigalpa, 21 Jun (NOTIMEX)—Thousands of workers, peasants, and teachers marched today through the main streets of Tegucigalpa to demand that salaries be increased and that the economic adjustment program in force since 1990 be suspended.

"The IMF reduces our salaries," "the moral revolution is killing the people," and "the rooster is screwing us up from

early on," were slogans chanted by demonstrators, who criticized the administration of Carlos Roberto Reina.

Reina, who took office on 27 January, used "moral revolution" as his campaign slogan to stop corruption as well as a "red rooster" as a symbol to convey his idea of "a new dawn" for the people with a "new government style."

Reina stated that his government's "hands are tied" by such problems inherited from the previous administration as the 11.2-percent fiscal deficit, the \$3.6-billion foreign debt, and \$450-million annual foreign debt payments.

The demonstrators asked for a 100-percent general wage increase, inflation control, a decrease in the price of staples and housing, as well as comprehensive agrarian and forest reform programs to preserve the environment.

The day before the demonstration the government approved a 30-percent average increase in inter city collective transportation fees.

Repeated unofficial reports indicate that there will be a devaluation of the lempira, the national currency, as well as new hikes in fuel and electricity prices. These rumors have raised further concern among grass-roots sectors.

Experts said that over 5,000 demonstrators demanded jail sentences for officials and former officials of the National Enterprise for Electric Power because they believe these officials' mistakes have caused electricity rationing of 35 hours per week throughout the country.

The government faces negotiations with teachers who demand a salary increase. The government must also deal with a conflict concerning salary payments between the owners of the almost defunct company Honduran Air Services, Incorporated, and over 400 workers of this company.

The demonstrators asked people to unite and to support their demands, and they announced new and larger demonstrations in the coming days.

The government of former President Rafael Leonardo Callejas began in 1990 a rigorous economic adjustment program with the support of such financial organizations as the IMF and the World Bank.

The grass-roots sectors repeatedly rejected that program and, according to analysts, it caused the electoral defeat of the conservative National Party of Honduras.

Nicaragua

Former Soldiers Occupy Esteli Cathedral

PA2206223294 Paris AFP in Spanish 2138 GMT
22 Jun 94

[Text] Managua, 22 Jun (AFP)—Former Sandinist soldiers, apparently disarmed, today occupied the cathedral in Esteli, 150 km north of Managua to demand attention from the government, a local radio station has reported.

"There are 10 people, who do not seem to be carrying any weapons. They are wearing civilian clothes, and their faces are not covered," Javier Borges, a member of the parish, told AFP by telephone.

Worshipers who were inside the cathedral praying "ran out" when the former soldiers entered the church, Borges said. He added that together with Julio Cesar Videa, the archbishop of Esteli, he tried to persuade the intruders to leave the cathedral.

The occupiers identified themselves as members of the National Self-Defense Movement (MADNA), which consists of former members of the Army and the Government Ministry who were dismissed by the government without being given indemnification.

Meanwhile, police arrested at least 11 men who blocked an access road to Esteli for several minutes at the time the occupation was taking place, according to radio reports not officially confirmed.

According to unconfirmed reports, MADNA is demanding from the government an indemnification of \$2,000 for each demobilized soldier. Authorities, however, have refused to give them that amount.

Police Evict Soldiers

PA2306034794 Mexico City NOTIMEX in Spanish
0105 GMT 23 Jun 94

[Text] Managua, 22 Jun (NOTIMEX)—Nicaraguan police have arrested 11 former soldiers who today occupied for several hours the cathedral in the northern city of Esteli to demand that the government comply with the accords on demobilized groups, authorities have reported.

National Police Spokesperson Rosario Gomez said in the Nicaraguan capital that after learning about the cathedral occupation in Esteli, 184 km north of Managua, police appeared at the site and forcefully removed demonstrators.

No serious incidents during the eviction of the former soldiers, who used to work for the Government Ministry, were reported, the police spokesperson added.

The 11 former soldiers were taken to a prison in Esteli, while their comrades negotiate their liberation with the government, according to sources close to those arrested.

The former Government Ministry officials demand that the government comply with the accords to compensate them for leaving their military posts, as a result of the Armed Forces reduction implemented in 1990.

Two weeks ago, former soldiers took over the Managua cathedral and the Venezuelan Embassy in a similar fashion. They later abandoned these buildings after several hours of negotiations with officials of the government of President Violeta Chamorro.

Gomez said on Wednesday that a group of transportation workers blocked for several hours the road to Esteli demanding security guarantees from the government.

The police called on transportation workers to abandon the road, the spokesperson concluded without giving further details.

Panama

Government Grants Asylum to 150 Haitians

PA2206150994 Panama City LA PRENSA in Spanish 22 Jun 94 p 1

[Report by Lastenia Murillo Munoz]

[Text] Immigration Department Director Antonio Dominguez announced yesterday the Panamanian Government has granted asylum to 150 Haitians who are in Panama, provided they do not practice voodoo.

"We have told them they cannot practice voodoo while they are in Panama; otherwise, I will be forced to revoke their visas and deport them," Dominguez said.

Voodoo is an ancient practice, a combination of religion and magic which African slaves had brought to Haiti and which is a type of witchcraft that stirs apprehension in certain parts of the world.

Dominguez said this group includes Haitians who arrived in Panama from January to the present. Some of them have been granted an extension while others have opted to hide.

According to Dominguez, these 150 Haitians are ineligible for political asylum; as a result, the National

Organization for Attention to Refugees cannot give them economic assistance, nor can the Immigration Department.

Panama suspended commercial flights to Haiti last week, in keeping with UN sanctions against the de facto regime, which has ruled Haiti for three years.

The Central American governments, including Panama's, has rejected a recent U.S. request to admit Haitian nationals into their countries.

Roundup of Economic Developments

PA2206144794

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 21 June.

Trade activities between Panama and Taiwan reached approximately \$350 million in 1993, making Panama the second leading market for Taiwanese exports. Trade between the two nations is expected to increase to approximately \$370 million this year. (Panama City LA PRENSA in Spanish 17 June 94 p 17 A)

Based on the behavior of the leading economic indicators during the first four months of the year, no significant changes are expected in the export levels of traditional products compared to figures obtained in 1993. Nontraditional exports, which already total \$190 million, have experienced an increase in amount, value, and variety. The export of services for 1994 will experience a 5-percent increase if current figures prevail. Duty-free zone activities will grow, but not as much as in 1993, and the volume of oil carried by pipeline will decrease as anticipated. A growth in tourism will remain moderate. Concerning imports, the collection of tariffs and sales taxes indicate a 15-percent increase. (Panama City EL PANAMA AMERICA in Spanish 17 June 94 p 8 A)

Argentina

Agency To Track Down Nazis To Be Established

PY2306011694 Buenos Aires LA PRENSA in Spanish
20 Jun 94 p 2

[Excerpt] Interior Minister Carlos Ruckauf has announced the establishment of an agency in charge of investigating and bringing charges against "discriminatory, racist, and xenophobic activities." The federal government will thus promote tracking down members of the Nazi regime who were involved in the murder and persecution of people during World War II and who currently reside in Argentina.

The establishment of this agency was stipulated in a resolution that Ruckauf will sign in Bariloche today. The minister spent the weekend at the residence of the Neuquen governor, El Mesidor, which is located in Villa La Angostura.

Ruckauf announced on 17 June that the government will extradite former Nazi officer Erich Priebke, who is currently in custody on charges of having been implicated in the murder of 335 people in Rome, in March 1944, during World War II.

According to the resolution Interior Ministry Secretary Alberto Iribarne and Daniel Barberis, population and community relations under secretary, will be charged with drafting a bill providing for the establishment of the agency within 90 days. A copy of the text will be sent this afternoon to the chairman of the Delegation of Argentine-Jewish Associations (DAIA), Ruben Beraja, who is currently in Israel. He will thus be able to officially convey the Argentine Government's decision to the Israeli president.

Ruckauf will sign the resolution at the Open Puerto tea room at 1300, during a ceremony to launch the "National Program for Nondiscrimination." Among the reasons underpinning this decision, the government cited "evidence that individuals who have been implicated in atrocious crimes against human rights" during World War II "have tried to escape from justice by seeking refuge in Argentina, thus taking advantage of its vast territory."

It further stated that "the atrocities committed" under the Nazi regime, which ruled Germany from 1933 to 1945, "violate the humanist principles enshrined in our national Constitution."

"Argentina has again and again been taken unawares by the discovery of people charged with crimes against human rights," it added.

The first article of the resolution makes it clear that the agency will seek to "prove the existence on Argentine territory of persons who during World War II were implicated in the extermination of people, or in the

murder and persecution of individuals or groups of individuals because of race, religion, nationality, or political opinion."

Following this decision, the government will convene "nongovernmental organizations struggling against discrimination, racism, and xenophobia" to draw up a bill providing the legal framework for this agency. [passage omitted]

Bolivia

President's Sea Outlet Proposal Prompts Reaction

PY2206175694 La Paz LA RAZON in Spanish 17 Jun 94
p A7

[Text] President Gonzalo Sanchez de Lozada used the expression "one can drink milk without owning a cow" in his proposal for an outlet to the Pacific Ocean without the need for Bolivia to recover ownership of the territory it lost to Chile. Opposition congressmen yesterday reported that Foreign Minister Antonio Aranibar will be summoned to Congress to explain, in a secret session, the content and scope of the president's proposal.

Sanchez de Lozada's proposal in Colombia has prompted different reactions within the Bolivian opposition; while some congressmen said he is giving up a century old national desire for a "sovereign outlet to the sea," others called the proposal an "interesting initiative."

The most adamant opponents of that proposal are Nationalist Democratic Action leader Jorge Landivar and Democratic Socialism Alternative Deputy Jerjes Justiniano.

Landivar said Sanchez de Lozada has been hasty in his attempt to solve the maritime issue, adding that the president's proposal is some sort of a "tenancy agreement" because although Bolivia will have an outlet to the sea, it will be through a foreign territory.

Justiniano said that we cannot give up a sovereign corridor to the sea because this is the right of all Bolivians and because it implies "treason to the fatherland."

Sanchez de Lozada Discusses Trip Abroad

PY2306034194 La Paz Television Nacional Network in Spanish 0100 GMT 23 Jun 94

[Excerpts] President Gonzalo Sanchez de Lozada arrived this morning at 0615 at the El Alto international airport. During his 11-day trip the Bolivian president visited Cartagena, Colombia, where he attended the Ibero-American summit; and the United States, where he attended the inauguration of the World Cup of soccer.

During a news conference after his arrival, the president discussed the Bolivian-German soccer match. [passage omitted]

The president also referred to the sea outlet issue, which was discussed both with Chilean President Eduardo Frei and at the foreign ministerial level.

[Begin Sanchez recording] We want to advance at all levels, at the cultural, political, and economic levels, so that we can succeed in our great objective of achieving an outlet to the sea, both through the waterway and to the Pacific Ocean.

I believe we had a good meeting, and that there is the willingness to continue negotiating. I also explained that we want to take specific steps to improve Bolivia's situation. [end recording]

Regarding capitalization, journalists asked him whether he had been able during this trip to obtain more investments. He said:

[Begin Sanchez recording] We witnessed real interest in this regard in the United States. For example, the Chicago Stock Exchange will be sending a delegation to Bolivia. They are interested in helping us establish a modern and fully computerized stock exchange in Bolivia.

I believe things are working out, step by step, in a positive manner, and that there is good acceptance. Obviously this entails a lot of work, but I am optimistic. I believe we are obtaining positive results. [end recording]

President Sanchez de Lozada said that his administration will consist of several stages. He said the first stage is that of sowing, which is the current stage.

[Begin Sanchez recording] This stage consists of preparing the soil, of sowing. It is a very austere stage, and people do not always see results. Nevertheless it is a necessary stage, as there is no harvest without a season of sowing.

We are very confident that during the second year of this administration we will be able to implement the capitalization program. In other words, we estimate that by 6 August 1995 we will have completed the capitalization process, and that the pension funds will be operating by the end of next year. [end recording]

The president said that the harvest will be taken in during the third year. He said that the last year of his administration would be unquestionably a political year.

Regarding the latest poll conducted by the Catholic University of Bolivia, which indicates that Bolivian public opinion believes a president should not also hold the post of MNR [Nationalist Revolutionary Movement] leader, the president said:

[Begin Sanchez recording] We have a government system that is similar to that of a parliamentary system of government. Therefore, if a candidate lacks two-thirds, he has to go to Congress and establish a coalition. This is why I am the leader of a political coalition.

This situation is not at all strange for Spain's Felipe Gonzalez, or for German Chancellor Kohl, because if they intend to implement their government programs they must be their party's leaders and establish coalitions in order to be able to govern. [passage omitted] [end recording] [passage omitted]

Military Supports Armed Forces Commander

PY2206190694 Cochabamba LOS TIEMPOS in Spanish 14 Jun 94 p A8

[Text] Military sources at the Miraflores barracks in La Paz disclosed yesterday, 13 June, that "all members of Army Divisions, Air Brigades, and Navy Units, during the past few hours have expressed their firm support for Armed Forces Commander General Fernando Sanjines Yanez."

The military sources were asked about the "replacement of the commander in chief." They told LOS TIEMPOS today that "nothing significant will happen during the next few days with the high military command now that Gonzalo Sanchez de Lozada, the president of the Republic and general commander of the Armed Forces, has ratified his confidence in the military commander."

The source stated: "The military garrisons were surprised by the military prosecutor's recommendation to try General Fernando Sanjines for allegedly being involved in the sale of material and spare parts belonging to the Bolivian Air Forces in 1992."

Just hours after Military Prosecutor Ezequiel Block's recommendation was disclosed, the high military command was shaken by an unusual movement of troops, and it was rumored that "the commander in chief would be replaced immediately."

The situation was clarified at a high level after the president of the Republic "ratified his confidence in Sanjines as commander in chief of the Armed Forces."

Generals Evaluate Foreign Interference

PY2106212194 La Paz HOY in Spanish 13 Jun 94 p 8-9

[Text] Exactly at 0800 on 14 April 1994, about 20 high-ranking active-duty and retired generals arrived at the Major Andres de Santa Cruz Command and General Staff School in La Paz to begin an important meeting. The officers arrived with grim faces, impeccable uniforms, cordial greetings, and an air of general concern. They then began a heated debate on the issue that causes most concern among Bolivian military officers: The existence of an international strategy against them. The main issues that create concern among Bolivian military officers are the alleged U.S. intention to create a transnational Armed Forces under the command of the United Nations and a "suggestion" by international financial organizations to cut defense budgets in developing countries.

The delegates discussed the extreme concern which has overtaken Bolivian military officers in the last few months over the imminent reduction of the Armed Forces as part of a U.S. plan to establish a hemispheric security organization.

More than 20 active-duty and retired officers were summoned from different parts of the country to study this issue on 14 and 15 April in a seminar entitled "Military Affair: The Plot to Destroy the Armed Forces and the Ibero-American Countries," the conclusions of which have been obtained by this daily.

The 70-page document reflects the concern of high-ranking Bolivian military officers and identifies the U.S. Government as the brains behind the idea of cutting the Armed Forces in Latin America, while the World Bank and the IMF are behind the alleged imposition of cuts in military spending.

The seminar, which was also attended by Argentine and Peruvian military chiefs, was held just a month and a half before the UNDP [United Nations Development Program] director officially announced a proposal to reduce military spending around the world as of 1995.

In a bulletin released by the U.S. Embassy on 4 June in La Paz, UNDP Director James Gustave Speth said: "Spending on human needs must take priority over military spending in the post cold war era."

Apparently Speth's proposal has the support of Washington, whose spokesmen in La Paz announced that the proposal will be evaluated and probably enforced during the "UN Social Summit in 1995 through the creation of the World Demilitarization Fund."

Speth said countries attending the summit must promise to reduce by 3 percent per annum their military budget as of next year.

Furthermore, the U.S. Embassy announced through its information service that in its 1994 report, the UNDP asked the United States and other powers to gradually eliminate all military aid programs to developing countries within three years and to relate their economic cooperation to the defense budgets of those countries.

Within this context, participants of the seminar confirmed to this daily the "undeniable" concern of the Armed Forces as seen in the conclusions of the seminar.

The military meeting opened with a speech by the most outstanding retired military officer who, without much protocol, became fully involved in studying eight essential points:

The history of the anti-military project, with a special annex; the current war fronts; the Bush manual on abolishing the Armed Forces; restricted sovereignty; objectives of Inter-American dialogue; "corrupt" democracies; the weapon of the Trilateral Commission; depopulation; the official U.S. policy; "technological

apartheid;" the new economic colonialism; supranational government; and the reorganization of the United Nations in its new role.

Nine proposals were submitted for evaluation:

- a. The plot
- b. The demilitarization project
- c. Historic background of the Latin American Armed Forces and their mission
- d. Democracy
- e. The technological apartheid: new economic colonialism
- f. Supranational government: UN reorganization for its new role
- g. Democracy
- h. Economic background
- i. The positive contribution of the Armed Forces for the consolidation and affirmation of democracy in Bolivia.

Based on this broad agenda, a two-day heated debate came to the conclusion that there are undeniable signs of foreign policies that seek to destroy, or at least reduce, the Bolivian and Latin American Armed Forces.

The military commanders agree that the danger lies basically in the gradual reduction of national defense budgets and the subsequent creation of a supra-national military force subordinated to the United Nations that will replace national military institutions.

One officer who attended the meeting said: "The United States believes the only purpose of Latin American Armed Forces is to safeguard internal order from communism which, following changes in the world political order, is no longer justified."

The officers believe that as the antagonism between the United States and the Soviet Union no longer exists, "Washington believes Latin American countries should acknowledge U.S. structures in the political, social, economic, and military fields as the only legitimate ones."

He warned that as a result of this, some powers will try to create supranational forces to replace the Armed Forces of the so-called poor countries.

The same officer said: "The creation of supranational forces—which involves only two or three countries—would mean other countries would be subordinated to those who form the supranational forces because they would hold the military power."

An active-duty general who attended the meeting said: "The process to eliminate the Armed Forces is a rehash of the plan proposed by the United States in 1992 during the conference entitled 'Inter-American Dialogue.'"

He reiterated that the initiative seeks to create a supranational force in charge of safeguarding regional security.

He added that the "Democracy Project," promoted by the U.S. Government foresees the elimination of the Armed Forces "as the Bush Plan did," and reveals two

other plans, one secret and one public, sponsored by the "National Fund for Democracy."

The secret plan allegedly refers to the struggle against drug trafficking, and the public one to the fact that the Latin American countries must accept decisions of the IMF, World Bank, and others.

He said: "These projects must be accepted by Latin American governments because refusing to do so would result in authoritarian governments."

The officers are suspicious of the so-called U.S. cooperation, doubting the unclear intention of this type of initiative.

A colonel with a degree in higher military studies noted the existence of direct foreign intervention "under the pretext of giving advice," especially in the struggle against trafficking.

He asserted: "Intervention is by no means justified, not even from the economic viewpoint because the contribution is minimal."

He referred to the low level of morale in the Armed Forces which basically follows the lack of prospects within the profession, the economic situation, and the lack of incentives.

Another retired general summarized how the United States will—or hopes to—control South American countries through the possession of islands and countries like Chile "which has growing economic influence over other countries of the Pacific."

He added that in the Caribbean the control could be carried out through Venezuela and/or Brazil, thus influencing the northernmost point of the continent, the Caribbean, and the Atlantic.

He also expressed his concern that "Chile would control the South American Antarctic region."

The general added: "There could be an invasion like that in Panama, but this time against Bolivia and Peru using as a pretext trafficking and the large coca plantations that could be linked to terrorism."

He added: "Latin American countries did not bleed in the great wars, therefore this type of action may be deemed necessary. As an example one could consider what happens to street children in Brazil and Colombia."

The conclusions reached by the seminar are the following:

"1. The creation of supranational forces is one of the greatest threats to the Latin American countries and their Armed Forces because, if such forces exist, we could be intervened in militarily in accordance with the interests and policies of the countries that make up this force.

"2. Although restricted sovereignty is a fact that cannot be denied, it should be controlled in such a way to find limits that would allow us freedom to solve our internal problems.

"3. International economic organizations like the IMF, the World Bank, and other organizations currently direct the Latin American economic system and set the guidelines for the budgets of the Armed Forces of the different countries.

"4. The book "El Complot" ["The Plot," not further identified] should be considered, but it is necessary to remember it is somewhat subjective and should only be treated as the opinion of people with their own criteria.

"5. Because of different circumstances, like the policies of the regimes before the new order was established and the current conditions by which the military power is subordinated to the political power, military commands are believed to be isolated from the general activities of the nation. The Armed Forces have thus lost the influence they should have.

"6. As a means of self-protection, Latin American countries must reach a political agreement considering the interests of countries of the continent.

"7. Private business have, at certain times during the national policy, supported the actions of the Armed Forces as the only way to solve economic problems, but now under the influence of a new international order that is against the Armed Forces, private businesses reject and are even against them.

"8. The Armed Forces should urgently develop a real policy to increase their budget and to implement feasible self-financing projects in accordance with the real situation of the country. It is also necessary to carry out an economic reorganization to redistribute the budget in accordance with current priority needs.

"9. It cannot be denied there is a policy to destroy the Latin American Armed Forces, initially by transferring their mission to other institutions which later in accordance with the needs of the great powers will also disappear to allow supranational forces to take over internal and external security."

Military Air Transports Merged for Commercial Purposes

PY2206222294 Cochabamba LOS TIEMPOS in Spanish 16 Jun 94 p A9

[Text] La Paz, 15 Jun (LOS TIEMPOS)—Bolivian Air Force Commander General Jose Perez Reyes Ortiz officially announced today "the merger of the commercial activities of TAM (Military Air Transport) and TAB (Bolivian Air Transport) under the legal guidelines of the Capitalization Law on the main strategic state companies. [no closing quotation marks as published]

Gen. Perez Reyes made this announcement during the 49th anniversary of the 71st Air Group in La Paz today.

He said: "With the entire support of military aviation, we are witnessing the end of the cycle of TAM as an operational unit, and the beginning of a new stage with TAB." He added: "This is how a real commercial air enterprise is created, operating within the legal regulations prevailing in the country."

"Thanks to the impetus and effort of a generation of military aviators (...) we are carrying out this objective with a new command policy, in accordance with the changes demanded by this historic moment," said Gen. Perez Reyes during the ceremony.

Gen. Perez Reyes, who was addressing acting President Victor Hugo Cardenas, cabinet ministers, and the high military command, said: "The 71st Air Group has been reactivated with a new strategy."

He also mentioned the logistical tasks to be carried out by the air brigade, such as "its participation in support operations against drug trafficking, air missions in support of the Army and the Navy, and support for civilian society in civic action programs."

He said that to carry out the short, medium, and long-term objectives drawn up by his general command, "creative organizational measures are being taken in transferring the commercialization activities of TAM to TAB."

Gen. Perez Reyes said: "This decentralized entity of the Air Force, in accordance with its legal status (...), has great administrative and financial capabilities which we are certain will help in its economic recovery through fresh resources to be obtained from different channels."

He said there is an economic advantage due to "the effectiveness of Air Force personnel, and due other financing" that can be obtained from private national and even international sectors.

Justices To Appeal Sentence Before Human Rights Court

PY2306012694 La Paz PRESENCIA in Spanish 11 Jun 94 p 5

[Excerpt] Edgar Oblitas Fernandez and Ernesto Poppe Subieta, who will today hear the sentence of their impeachment in Congress, yesterday announced an international campaign to file a request for their acquittal before the San Jose de Costa Rica Human Rights Court.

During a news conference the Supreme Court justices asserted that a struggle for the "dignity and complete independence of the judicial branch" has begun, and at the same time they accepted "serving their imprisonment sentences [as published] humbly, in the certainty of winning awareness in the Bolivian court."

The justices, tried by the national Congress' Special Court, were yesterday feted and honored by the La Paz District Court alternate members, judges, and administrative personnel in a simple ceremony that ended in a news conference.

Both Oblitas and Poppe admitted this was the last public event they would attend in their capacity as justices, as they announced that the government has decided to sentence them to the highest penalty established by the Impeachment Law that is sponsored by the U.S. Embassy.

Oblitas said: "The justices and their lawyers have shown the country, irrefutably and clearly, that neither of the two have committed any crime, and that this is an irrational impeachment seeking only to replace the Supreme Court justices with subservient justices who will obey the government's orders." [passage omitted]

Quiroga on Alternative Development, Interdiction

PY2306003494 Santa Cruz EL MUNDO in Spanish 11 Jun 94 Section 2 p 1

[By special correspondent]

[Text] La Paz—Minister of Government German Quiroga Gomez has stated that due to current coca prices (180 Bolivian pesos per load), it is impossible to successfully implement an alternative development program in the Chapare region. Quiroga said that in view of this it is indispensable to increase drug enforcement in this region. Ten years of statistics show that by increasing interdiction, market values decrease and more peasants decide to resort to alternative products.

Quiroga said that currently there are virtually no valid arguments to convince coca growers to replace their crops, because it is not economically profitable.

Quiroga delivered a speech during the opening ceremony of the Seminar on Alternative Development sponsored by the U.S. Embassy's USIS in conjunction with the Social Defense Undersecretariat and the La Paz Journalists Association. The seminar was held for around 20 journalists from several departments who are traveling today to Chapare to observe the development of banana, citrus fruit, and pineapple plantations and the like.

Quiroga added that peasants would be willing to replace their excess coca crops when they were convinced it was more profitable to produce other crops. He said that for farmers it is a question of opportunity and necessity, and that it is essential to take this into account to achieve proper levels of alternative development. Quiroga stated: "It is meaningless to invest in infrastructure and equipment in the Chapare region if it is not profitable for coca growers to switch crops."

Quiroga said: "With current prices, we will never be able to replace coca farming if we exclusively rely on the good

will of coca growers, and Bolivia will continue to be the second largest drug producer."

Quiroga explained that the current policy of control of dangerous substances groups under one single unit the three aspects of drug enforcement (interdiction, alternative development, and drug prevention). He said that from this point of view the Ministry of Government will implement alternative development and peasant education programs wherever there are interdiction and drug enforcement programs.

Quiroga said it is regrettable that in Bolivia the only newsworthy articles are those related to trafficking activities in what he described as the "bad Chapare" region, and that this represents only 20 percent of the population. He said that the remaining 80 percent has either always been devoted to legal activities or is voluntarily replacing its excess coca crops.

He added that five years ago the Chapare region only produced coca that was sold in the market. Quiroga said that nowadays coca is neither transported nor marketed. He said that instead cocaine paste is being produced on nearby plantations, because peasants have available the technical facilities to macerate coca. Sixty percent of the coca growers in the Cochabamba tropical region are involved in drug trafficking. Quiroga warned that "we have a time bomb on our hands."

Moreover, Social Defense Under Secretary Mario Soliz said that, through an agreement approved by the COB [Bolivian Labor Federation] on 23 March, coca growers have agreed to eradicate 5,000 hectares of coca by the end of the year, and that they are therefore obliged to comply with this. Soliz said that the government is empowered to exercise interdiction mechanisms if this goal is not achieved. He added, however, that the current policy favors dialogue with coca producers, as there is no intention of turning the alternative development program into a violent issue, and even less of turning against the peasants.

Brazil

Decree Enforces Haiti Sanctions, Freezes Assets

PY2206233394 Sao Paulo AGENCIA ESTADO in Portuguese 2250 GMT 22 Jun 94

[Text] Brasilia, 22 Jun (AE)—President Itamar Franco today signed a decree ordering the implementation within Brazilian territory of UN Security Council Resolution 917, dated 6 May, which imposes an embargo on Haiti in light of the coup that overthrew President Jean-Bertrand Aristide. Through the decree the Brazilian Government suspends every form of trade with Haiti, restricts the landing or entry into Brazilian airspace of any aircraft going to or coming from Haiti, and freezes all assets deposited in Brazil.

Sarney To Replace Franco on Visit to Portugal

PY2206125394 Sao Paulo AGENCIA ESTADO in Portuguese 2255 GMT 21 Jun 94

[Report by Marco Antonio Moreira]

[Text] Brasilia, 21 Jun (AE)—To offset the setback suffered by Brazilian Ambassador to Portugal Jose Aparecido de Oliveira over the last-minute cancellation of his trip to Lisbon, President Itamar Franco today asked former President Jose Sarney (who is a senator for the Brazilian Democratic Movement Party, Amapa State) to head the Brazilian delegation to the Seminar on Economic and Entrepreneurial Cooperation and to the signing of the declaration creating the Community of Portuguese-speaking Countries (CPLP).

Sarney promptly accepted the invitation, which was extended personally by Franco. Sarney returned from France on 20 June. Today he stayed home recovering from labyrinthitis. At 1700 on 22 June, Sarney will meet with the members of the Brazilian delegation to discuss details of the trip, which is scheduled to start on 24 June. Foreign Minister Celso Amorim has informed the Portuguese Government about the change.

Franco said by asking Sarney to head the delegation he was paying tribute to the presidents of Portugal, Angola, Cape Verde, Guinea-Bissau, Mozambique, and Sao Tome and Principe because the first meeting aimed at creating the International Institute of the Portuguese Language with the attendance of the heads of state of these countries was held on 3 November [no year given] in Sao Luiz (Maranhao) and was organized by Ambassador de Oliveira, who was then culture minister of the Sarney government.

In a communique released today at Planalto Palace, the president states that despite having postponed his trip to Portugal, he will visit that country before the end of his term to commemorate the creation of the CPLP and to resume bilateral talks with Portuguese Prime Minister Cavaco e Silva. The Brazilian delegation will include cabinet ministers, executives of state-owned companies, and private businessmen who will pay their own travel expenses.

Presidential Spokesman Fernando Costa has said Franco's decision to postpone the trip was in no way related to the death of his nephew and private secretary Ariosto Franco, although the cancellation came after his death. "The president was shaken by Ariosto's death," Costa said, "but he has chosen to stay in Brazil because he considers his presence necessary on the eve of the implementation of the real."

Lula Meets President Mandela in Pretoria

PY2206130094 Sao Paulo AGENCIA ESTADO in Portuguese 1810 GMT 21 Jun 94

[Text] Pretoria, RSA, 21 Jun (AE)—South African President Nelson Mandela today received Workers Party

[PT] presidential candidate Luiz Inacio Lula da Silva. The black leader received Lula with a broad smile as if he were an old friend, and treated him as a president-elect. They praised each other during brief statements to the media after the meeting. Mandela expressed support for Lula and showed interest in his election. Lula referred to the South African leader as "one of the great personalities of this century." The meeting should have had taken place on 20 June, but when Lula arrived in the Union Hill Palace at the scheduled time, he was not received by Mandela. An adviser informed him that Mandela could not receive him because of a slight ailment.

This was the third meeting between Mandela and Lula. They met in Tripoli and in Havana. After speaking about the situation in South Africa Mandela wanted to know about Brazilian politics and economy. He asked about the situation of the Brazilian people before the elections. Lula told him about the election campaign, the Real Plan, and the social reality in the country. He criticized what he calls "social-economic apartheid" in Brazil and promised to combat it if elected with "measures in the field of education, labor, and housing." The South African leader told Lula his plans to combat problems similar to the Brazilian ones.

They also spoke about bilateral relations, especially trade. Mandela discussed the subject as if Lula had already won the elections. He said he wanted to visit Brazil as soon as Lula is installed. He then offered to discuss any subject of bilateral interest.

At the end of the meeting Mandela accompanied Lula and Brazilian Ambassador to the RSA Antonio Amaral de Sampaio to another room where CUT [Sole Workers Center] leader Vicente Paulo da Silva, Deputy Benedita da Silva, and PT campaign coordinator Professor Marco Aurelio Garcia were waiting. Soon afterward they all went to the stairs of the Union Hill Palace where Lula and Mandela made brief statements.

Following the meeting in Union Hill Palace, Lula, the ambassador, and his delegation boarded a plane at noon to Cape Town where Lula is scheduled to dine with other South African government officials. The host is Minister Without Portfolio Jay Naidoo, who is responsible for the Development and Reconstruction Program (DRP). Through this program Mandela intends to build 1 million houses over five years, create 2.5 million new jobs, and guarantee 10 years of basic and higher education.

A constituent assembly will be formed on 22 June in Cape Town. Late in the afternoon Lula and his delegation will return to Johannesburg and board a plane that will take them to Frankfurt, Germany, the second leg of his trip.

Proposes 'Coalition Government'

PY2206150094 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Jun 94

[Text] In South Africa, Luiz Inacio Lula da Silva proposed a coalition government no matter what candidate or political party wins the upcoming elections.

Lula is visiting South Africa as the presidential candidate for the Workers Party [PT]. He has met with President Nelson Mandela, South African congressmen, and entrepreneurs. Lula said if the PT wins the elections, he will intensify trade and cultural relations between Brazil and South Africa.

Explosion at Army Headquarters Investigated

PY2206125694 Sao Paulo AGENCIA ESTADO in Portuguese 2308 GMT 21 Jun 94

[Text] Brasilia, 21 Jun (AE)—The Army Ministry has ordered an investigation to find out who is responsible for the detonation of a home-made bomb last week in the Army headquarters in Brasilia. The bomb did not cause any damage but it made a lot of noise. A message found at the site of the explosion states: "War is not necessary, eating is," paraphrasing Portuguese poet Fernando Pessoa. The message is interpreted as a warning over low military salaries.

Army spokesman General Gilberto Serra denied the existence of the message and minimized the effects of the explosion at the Army headquarters, which is known in Brasilia as "Fort Apache." He said the initial investigations show it will be difficult to discover who is responsible for the explosion, which took place on the third floor of the Training and Research Department (DEP). The official report states that the explosion was caused more by a firecracker than a real bomb. The main report was drafted by a DEP colonel.

The explosion was an "isolated incident that has nothing to do with salary demands." He said military personnel know of their chiefs' efforts to achieve a salary increase and know President Itamar has promised to improve their situation. "We must wait a little because everything depends on arrangements in the economic field," he said.

Federal Administration Secretary Romildo Canhim today confirmed that a salary increase for civilian and military employees will be discussed and defined after the implementation of the new currency, the real. "It has already been decided, and a salary increase will not be discussed now," he said. Once the real is in circulation in July the government will resume discussions to implement the Equal Salary Law which foresees a 28 percent real increase for public servants, the minister said. The increase will come in August.

Senators Disagree Over Patents Bill

PY2306030494 Sao Paulo AGENCIA ESTADO in Portuguese 2331 GMT 22 Jun 94

[Report by Aldo Renato Soares]

[Text] Brasilia, 22 Jun (AE)—The PFL [Liberal Front Party] leader in the Senate, Senator Marco Maciel (PE) [Pernambuco], will present an alternative draft bill to the industrial property bill approved by the Chamber of Deputies last April. Maciel decided to present an alternative proposal because there are strong differences of opinion between the two Senate rapporteurs, Senator Jose Richa, (PSDB-PR) [Brazilian Social Democracy Party, Parana], from the Economic Affairs Committee, and Senator Antonio Mariz (PMDB-PB) [Brazilian Democratic Movement Party, Paraiba] from the Constitution and Justice Committee. "If we have two different opinions, the approval of the definite bill will be more difficult," Maciel said.

The two Senate committees today discussed the bill for more than four hours with several civilian institution representatives. Francisco Teixeira, executive vice president of the Brazilian Pharmaceutical Industry Association (Interfarma), which gathers together all foreign laboratories, required several changes to be made to the patents bill already approved by the lower house. Abifarma [Brazilian Pharmaceutical Industries Association] supports the patenting of genetically modified microorganisms, and rejects the requirement that patented products should be produced domestically. The laboratories also want imports to be authorized by the patent holder abroad, or by his licensed dealers.

Representatives from the Brazilian Agriculture and Livestock Research Enterprise (Embrapa) and national laboratories are against the changes suggested by Interfarma. Senator Jose Richa wants to make the bill more flexible. Senator Antonio Mariz, on the contrary, wants to maintain the basic points approved by the Chamber of Deputies. Senator Marco Maciel, who today participated in the discussions as a member of the Economic Affairs Committee, said that if the two recommendations are sent to a vote in the plenary hall the bill will not be approved this year. He believes that an alternative project will facilitate an agreement and the approval of the bill by the Senate after the elections.

Dollar Decline To Benefit Exports

PY2206225994 Sao Paulo AGENCIA ESTADO in Portuguese 2103 GMT 22 Jun 94

[Report by Nilton Horita]

[Text] Sao Paulo, 22 Jun (AE)—This time the confusion that has arisen on the international monetary market is helping Brazil. According to the Termo brokerage firm, one of the main agricultural operators in the Commodities and Futures Exchange, Brazil could increase its revenues from exports of agricultural commodities from

\$5 billion to \$6 billion this year, with an average 60 percent increase in its coffee, soybean, orange juice, and cotton quotations, among others.

"With coffee alone, export revenues will increase by \$1.2 billion," says Termo director Francisco Arantes. The annual volume of agricultural exports amounts to \$10 billion. "The prices of commodities began to increase in March due to the volatile nature of international interest rates, which has benefited Brazil," he adds.

Arnim Lore, director for international affairs at the Fonte Bank, says that American exports, as well as exports quoted in dollars, have gained greater competitiveness. "Brazilian exporters in general are gaining momentum," he said. Carlos Langoni, director of the World Economy Center of the Getulio Vargas Foundation, said that this is particularly true for those who are exporting to Europe and Asia.

According to Angelim Curiel, the Citibank foreign trade director, 80 percent of Brazilian exports are made in dollars. He said: "We are therefore in a similar position to that of U.S. exporters, whose prices will now become more competitive." He added: "In sum, those who export to Europe and Asia will benefit from the dollar decline, as will those who export to the United States, as a result of the greater economic activity."

In the case of agricultural commodities, exporters will win with the price increase. Other sectors will be able to sell their products more cheaply in the local currencies (such as Japanese yen or German mark) and increase their income by selling higher volumes. Economist Adroaldo Mouda da Silva, director of Silex Trading, notes that international developments will help Brazilian exporters at this juncture, when the implementation of the real will affect exports because it has established a fixed exchange rate with the dollar. "A form of compensation has taken place," he said. "Brazil will no doubt win a few billion dollars," he added.

Ricupero Urges Changes in Export Profile

94SM0365B Sao Paulo GAZETA MERCANTIL in Portuguese 27 May 94 p 7

[Article by Cynthia Malta: "Brazil Needs To Change Export Profile To Win Space in World Market"]

[Text] Sao Paulo—The profile of Brazilian exports must change so that the country can compete and win space in the world market over the next few years. That observation comes from Minister of Finance Rubens Ricupero, who spoke yesterday at the international seminar on the "New Map of World Trade," sponsored by this newspaper. He said: "We are witnessing a panorama that requires care."

According to the minister, Brazil is outstanding as an exporter of bulk soybeans, orange juice, crude soybean oil, iron and steel products, and paper and cellulose. "Those are products with which Brazil shines more in

terms of volumes exported—quantities—than in terms of value added to the product.” That picture reflects a concentration of capital and “expresses Brazilian society itself”—that is, a society which has invested little in education and technological research and which is therefore being outdone by countries that made the necessary investments and now have more sophisticated and cheaper finished goods to export.

“When I arrived at GATT in November 1987, China was just beginning to export. I left GATT in 1991, and by then China was exporting twice as much as Brazil,” said Ricupero, who was head of Brazil’s delegation to GATT. In 1991, Chinese exports totaled about \$73 billion. “Last year, China’s exports and imports totaled \$200 billion,” the minister said.

He is especially concerned about the textile, capital goods, and footwear industries. “The textile industry is among those that will experience the fastest rate of growth in world trade over the next few years. It is estimated that garment exports will increase by 60 percent and that footwear exports will rise by 34 percent.” The basis for comparison is the year 1992. If that turns out to be the case, the minister said, the biggest beneficiaries will probably be the Asian countries known as the Asian tigers: “the countries belonging to that zoological category, which is growing every year,” the minister joked.

The situation in the footwear industry is also cause for concern. “Brazilian exporters have already lost the market for cheap shoes. China now has half the U.S. market, and the Chinese have now started to move ahead in the area of midpriced shoes,” the minister said.

The capital goods industry is another weak point. “Twelve years ago, Brazil was exporting power lathes, but it started to lose market share when electronic components began to be used in those machines,” the minister noted. When all is said and done, “Brazil did not make the necessary investments, but the Asians did.”

According to the minister, Brazil should go back to investing from 22 to 23 percent of its gross domestic product (GDP) so that its exports will resume their growth. He recalled that in the 1970’s, the investment rate was 25 percent of GDP. By last year, that figure had fallen to 16.5 percent—the lowest percentage in Brazilian history. “This is a gap that we must close. But to do so, businessmen must have stable prospects so that they will become interested again and invest.”

Jose Milton Dallari, the Ministry of Finance’s special adviser on prices, was also present at the seminar. He noted that “the businessmen have that vision—that it is necessary to invest. But they are justifiably worried about short-term developments, about inflation, and about what they are going to do to get through this phase.”

The minister noted, however, that he was “mindful of the needs of foreign trade and preparing measures for

exports and imports.” He pointed out that there were concerns about foreign exchange because of the introduction of the new currency on 1 July and repeated that “the administration will announce a stable anchor appropriate to a stable economy.”

Among the measures being prepared by the administration, the minister mentioned a reduction in federal and state taxes—especially the ICMS [goods and services movement tax], which the states collect on exports of semimanufactures—the opening of a line of credit through the National Bank for Economic and Social Development (BNDES), and the granting of export insurance for small and medium-size firms.

Ricupero noted that the program in question was coming at a time when the firms had little debt, were beginning to modernize their equipment (during the first three months of this year, imports of capital goods were up 30 percent over 1993), and were rapidly adopting international standards of quality. He said: “Over 300 firms already have their ISO [International Standardization Organization] 9000 certificate.”

Minister Publishes Book in Chile

Sao Paulo—Minister of Finance Rubens Ricupero is scheduled to publish a book entitled *A Rodada Uruguai e o desenvolvimento da America Latina (The Uruguay Round and the Development of Latin America)* in Santiago, Chile. The book will have a chapter on the prospects for developing countries following the conclusion of the Uruguay Round of GATT.

Here are the main points in the minister’s analysis:

1. The multilateral system has been strengthened by the establishment of the World Trade Organization (the body that will replace GATT in January 1995). The countries, and especially developing countries, will benefit from improvements in the rules on safeguards, antidumping, subsidies, technical barriers, and the mechanism for resolving disputes. The countries should also benefit from the gradual liberalization of trade in agricultural products, textiles, and services.
2. The developed countries have reduced their average import tariffs by about 38 percent. That tariff reduction is expected to reduce the cost of \$464 billion worth of imports by the developed countries. Tariff reductions were not offered on imports worth \$148 billion.
3. Also expanded was the universe of goods imported by the developed countries and to which a tariff will not be applied. This group of products formerly accounted for 20 percent of the total tariff schedule, but is now up to 43 percent. The opening up of developing countries was even greater: the share of goods on which no tariff is collected rose from 22 percent to 45 percent.
4. The developing countries also increased the number of products whose tariffs are consolidated in GATT, meaning that those tariffs cannot be increased. The

developing countries, which had consolidated 21 percent of their tariff schedule in GATT before the Uruguay Round, have now expanded that share to 65 percent. The industrialized countries have increased their share from 78 to 97 percent.

5. Using estimates worked up by GATT, the minister notes that by the year 2005, world trade in goods "will be 12 percent higher than it would have been without the Uruguay Round." This means an increase of \$745 billion (in 1992 dollars) over the level that would have existed if trade had grown at the average annual rate recorded during the period between 1980 and 1991 (4.1 percent).

6. The greatest growth in world trade is expected to occur in the clothing industry, where a 60-percent increase is predicted, textiles (34 percent), forest and fishery products (20 percent), and processed foods and beverages (19 percent). It is precisely in the textile industry, says the minister, that Brazil's weak point exists. He notes that Brazilian firms have not been investing to modernize their equipment and that that technological lag is causing the country to lose ground to the Southeast Asian countries when it comes to exports.

7. According to calculations by the World Bank (IBRD [International Bank for Reconstruction and Development]), the OECD, and GATT, the growth in world income should total from \$213 billion to \$274 billion annually.

School Fees Decree Ruled 'Unconstitutional'

PY2306032594 Sao Paulo AGENCIA ESTADO in Portuguese 2258 GMT 22 Jun 94

[Text] Brasilia, 21 Jun (AE)—By 10 votes to one, the Federal Supreme Court (STF) has suspended Provisional Measure [MP] No. 524 on the conversion of school fees. Presidential Press Secretary Fernando Costa said that the government will respect the decision made by the STF, which declared unconstitutional the MP establishing the criteria by which school fees should be converted into URV's [real value units]. "The STF decision will be obeyed," he said. "But the government reserves its right to comment until the decree is published, in order to learn what led the STF justices to making this decision."

The STF decision, which upholds the petition for an injunction filed by the schools, shows that the objections made by Finance Ministry special adviser Jose Milton Dallari were correct. He was against the MP, which converted school fees based on the average of the previous four months' fees in real cruzeiros. Dallari recommended that the conversion be made based on the average fees in URV's, a criterion that is endorsed by the schools. His stance may cost him his post following the implementation of the real.

Dallari believed the text of the MP would generate a legal dispute that would end up favoring the schools, as it

breaks the economic and financial balance of contracts. The STF decision demonstrates that he was right, despite the threats made by President Itamar Franco. Soon after the MP was issued, Dallari said that it would perhaps need some changes. Itamar became irritated and sent him a message through the newspapers: "Is Dallari the president?"

Dallari remained in his post only thanks to mediation by Finance Minister Rubens Ricupero in his favor before the president. All the same, Dallari is in a vulnerable position. The PSDB [Brazilian Social Democracy Party] presidential candidate and former finance minister, Fernando Henrique Cardoso, who appointed Dallari to his present post, was consulted on the subject. Cardoso recommended that Dallari remain, at least for the time being.

Following the conflict with Franco (the second one, as the first clash they had was over the conversion of rents), Dallari stopped talking with the media. He decided not to grant interviews, and his closest aides surrounded him to prevent him from being approached by reporters. From his isolation Dallari can celebrate the STF's decision, which confirmed his arguments against the MP.

Corruption Charges Against Senator, Deputy Dismissed

PY2306023594 Rio de Janeiro Rede Globo Television in Portuguese 0000 GMT 23 Jun 94

[Text] Surprising decisions were made today in Congress. Despite recommendations by the respective Constitution and Justice Committees, the plenums of the Senate and the Chamber of Deputies respectively today dismissed charges against Senator Ronaldo Aragao and Deputy Ezio Ferreira.

The process against Senator Aragao began four months ago, and evidence that he was guilty was produced every step of the way. The Senate special committee recommended early this month that Aragao be impeached. Yet the plenum of the Senate today reached an altogether different decision.

Facing charges of having moved \$700,000 in his banking accounts in one year and of having obtained benefits from construction companies, Aragao—the only senator included on the list of the Congressional Investigating Committee on the budget scandal—will not be impeached. In a secret vote, 28 senators voted for the impeachment, while 19 voted against it. Because 41 votes were needed to impeach Aragao, the process against him was dismissed. Upon leaving the Senate, Aragao declined to make remarks to reporters. He only said that he was relieved and that the Senate has done justice.

There was also surprise in the Chamber of Deputies, which today heard the case of Deputy Ezio Ferreira, who was charged with moving 35 billion real cruzeiros in his

banking accounts and having received checks from construction firms. Despite a recommendation approved earlier by the Constitution and Justice Committee that Ferreira be impeached, the plenum today dismissed the charges against him. Ferreira's attorney rebutted the charges, and tempers flared during the process. Yet the final vote came 73 votes short of impeachment. The Chamber of Deputies has thus dismissed the case against him.

Roundup of Electoral Campaign Developments

PY2106213894

[Editorial Report] The following is a compilation of reports on developments related to the scheduled 3 October general elections in Brazil.

PRESIDENTIAL CAMPAIGN

Interior Votes To Decide Elections—The elections this year will be decided by the voters living in the interior of the country, and not by those in the capitals. A study conducted by the Superior Electoral Board (TSE) shows that 70 million of the voters who will elect the new president live in the interior, and only 20 million in the capitals. The study was based on data collected during the 1993 plebiscite. The study indicates that Sao Paulo, with the largest number of voters in the country, has nearly 22 percent of Brazilian voters, and Minas Gerais, the second largest, about 12 percent. The TSE believes that more than 100 million people will vote in the 3 October elections. (Sao Paulo GAZETA MERCANTIL in Portuguese 30 May 94 p 9)

Main Presidential Candidates View Unemployment—The four main presidential candidates have commented on their plans to fight unemployment. Luiz Inacio Lula da Silva, the Workers Party (PT) candidate, wants to build agricultural villages and cooperatives, invest \$25 billion in projects to create jobs, and build huge warehouses where small entrepreneurs can set up their industries without having to pay rent. Democratic Labor Party (PDT) candidate Leonel Brizola wants to register unemployed people and update the data on how many they are, grant incentives and technical assistance to micro and small enterprises, create new temporary jobs in public construction work, and invest Severance Pay Fund and Workers' Assistance Fund resources to create jobs and incorporate 8 million families into the job market. Progressive Renewal Party (PPR) candidate Esperidiao Amin wants to create 10 million new jobs in five years by making the micro-enterprises more dynamic and by granting incentives to agriculture, agro-industry, exports, and tourism, and by implementing a "Program to Fight Unemployment." Brazilian Social Democracy Party (PSDB) candidate Fernando Henrique Cardoso proposes creating 8 million jobs by defeating inflation, which will result in an increase in governmental resources, a reduction in taxes on salaries, and the possibility of allocating more funds to professional training and irrigation programs. Cardoso believes that

these programs alone will create nearly 2.7 million direct and indirect jobs over the next four years. Finally, Brazilian Democratic Movement Party (PMDB) candidate Orestes Quercia promises to invest in the infrastructure, but has not yet defined his goals and does not want to reveal his financial means. (Rio de Janeiro O GLOBO in Portuguese 5 Jun 94 p 3)

PDT Convention Participants Polled—A Datafolha poll conducted among the members of the PDT convention held on 29 May shows that 53 percent of them approve of a PDT alliance with the PMDB; 41 percent an alliance with the Brazilian Labor Party (PTB); 13 percent with the PSDB; an equal number with the PT; and 10 percent with the PPR. The poll also shows that if Brizola is not elected in the first round of elections, PDT members will support Lula (27 percent), Fernando Henrique Cardoso (20 percent), none of them (44 percent), and 8 percent still do not know whom they will support. Asked whom they would support if they had to choose between Lula and Quercia, 43 percent would choose Quercia, 24 percent Lula, 26 percent neither of the two, and 8 percent remain undecided. If the choice had to be between Quercia and Cardoso, 43 percent would support Quercia, 26 percent Cardoso, 24 percent neither of the two, and 7 percent are undecided. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 May 94 Section 1 p 4)

Lula Gains Support in Bahia State—The Bahia office of the PSDB and the PT reached an agreement on 1 June that can benefit Lula: The PT withdrew the candidacy of its candidate for the Senate, Zezeu Ribeiro, and added its support to the PSDB ticket. The PSDB candidate for the Bahia governorship, Jutahy Magalhaes Jr., believes that this alliance will give Lula more than 1 million votes and increase support for him by 20 percent to 30 percent of state voters. In his first rally in Bahia, which is scheduled for 2 July, Lula will already be accompanied by Magalhaes. Lula believes this agreement will reduce the PSDB presidential candidate's possibilities. (Sao Paulo AGENCIA ESTADO in Portuguese 2156 GMT 1 Jun 94)

PT Congressional Candidates Threaten to Rebel—Forbidden to participate in Lula's rallies, the PT candidates for federal deputy have threatened to rebel against the PT national coordinating board that is coordinating the presidential campaign. Deputy Chico Vigilante, Federal District, said that the PT leadership is comprised of "a bunch of stupid bureaucrats," and he fears that the prohibition is harming Lula's candidacy. Deputy Helio Bicudo, Sao Paulo, also protested the decision. When Lula visited Brasilia at the beginning of June, only gubernatorial candidate Cristovam Buarque and vice presidential candidate Paulo Bisol were allowed to participate in the rallies organized there. Rio Grande do Sul Deputy Jose Fortunatti, PT leader in the Chamber of Deputies, harshly criticized the decision. (Sao Paulo AGENCIA ESTADO in Portuguese 2331 GMT 16 Jun 94)

ACM Support Not Helping Cardoso—The latest polls conducted in Bahia State show that despite Antonio Carlos

Magalhaes' support of PSDB presidential candidate Fernando Henrique Cardoso, only 13 percent of the people support him, while 54 percent support the candidacy of the PT's Luiz Inacio Lula da Silva. This is the lowest level of support for Cardoso countrywide. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 Jun 94 p 6)

Cardoso Campaign in Financial Difficulties—The Liberal Front Party (PFL) leader in the Senate, Marco Maciel, has complained about the financial difficulties being faced by PSDB presidential candidate Fernando Henrique Cardoso's electoral campaign, the cost of which has been estimated at \$75 million. Maciel said that the new electoral legislation seeking to ensure the openness of political campaign financing is frightening entrepreneurs who had planned to contribute to Cardoso's campaign. The PSDB-PFL-PTB coalition was the first to request campaign bonuses at the Superior Electoral Board. The requested bonuses amount to 10 percent of the overall cost of the campaign. (Sao Paulo AGENCIA ESTADO in Portuguese 2156 GMT 13 Jun 94)

Poll Shows Cardoso's Voters Hesitating—A poll conducted by the Gerp Research Institute indicates that PSDB presidential candidate Fernando Henrique Cardoso's supporters are the most hesitant: 37.1 percent of them may switch their support to another candidate before the 3 October elections, while only 23.4 percent of PT candidate Lula's supporters and 27.4 percent of PDT candidate Brizola's supporters would do so. The poll, which was based on interviews conducted with 3,213 people during the first week in June, shows that 36 percent of voters support Lula, 17 percent Cardoso, 7 percent Brizola, 5 percent PMDB candidate Quercia, 3 percent the PPR's Amin, while only 1 percent support Liberal Party presidential candidate Flavio Rocha. (Sao Paulo AGENCIA ESTADO in Portuguese 2036 GMT 14 Jun 94)

Quercia Registers as Presidential Candidate—PMDB President Deputy Luiz Henrique registered his party's presidential candidate, Orestes Quercia, for the 3 October elections. The PMDB estimates that its electoral campaign will cost \$58.5 million. (Sao Paulo AGENCIA ESTADO in Portuguese 2202 GMT 8 Jun 94)

Polling Companies To Register at Electoral Board—Companies conducting polls on the electoral preferences of Brazilians must register at the Superior Electoral Board. They must also include in their reports, among several other things, the name of the person who requested the poll, its cost, who financed it, the methodology used, and the period during which the poll was conducted. (Sao Paulo AGENCIA ESTADO in Portuguese 1748 GMT 13 Jun 94)

STATE CAMPAIGNS

Front Created in Sao Paulo—On 1 June the PT made official in Sao Paulo the Popular Brazil Front, which supports Federal Deputy Jose Dirceu's gubernatorial candidacy. The coalition is comprised of the Brazilian Socialist Party (PSB); the People's Socialist Party (PPS);

the Communist Party of Brazil (PC do B); the Unified Socialist Workers Party (PSTU); the Brazilian Communist Party (PCB); and the National Mobilization Party (PMN). During the ceremony the candidacy of the PT's Antonio Galdino for the Sao Paulo vice governorship was also made official, as were the candidacies of Luiza Erundina (PT) and Joao Hermann (PSB) for the Senate. The Front will present 141 candidates for the Sao Paulo Legislative Assembly, and 71 for the Chamber of Deputies. (Sao Paulo AGENCIA ESTADO in Portuguese 2330 GMT 1 Jun 94)

Poll Shows Support of Rio's Gubernatorial Candidates—The Brazilian Public Opinion and Statistics Institute released on 14 June the figures of a poll, requested by the PSDB, on support for Rio de Janeiro's gubernatorial candidates. The figures indicate that Marcello Alencar is supported by 31 percent of the people, Jorge Bittar and Anthony Garotinho by 14 percent each, Newton Cruz by 6 percent, and Milton Goncalves by 5 percent. (Rio de Janeiro O GLOBO in Portuguese 15 Jun 94 p 8)

Article Views Two States' Candidates—Rio Grande do Sul State, which has 5.7 million voters, has four gubernatorial candidates, 10 candidates for a seat in the Senate, and 450 candidates for 31 seats in the Chamber of Deputies and 55 seats in the Legislative Assembly. These candidates are affiliated to 13 different political parties. The favorite candidate, however, is former Social Security Minister Antonio Britto, the PMDB candidate, who will probably be elected governor. In Minas Gerais State, five party conventions were held during the weekend of 28-29 May. During these conventions the names of several gubernatorial candidates were defined. Governor Helio Garcia presented former Belo Horizonte Mayor Eduardo Azeredo, of the PSDB, as the candidate to succeed him. Former Education Secretary Walfrido Mares Guia is the candidate for vice governor. (Sao Paulo GAZETA MERCANTIL in Portuguese 31 May 94 p 7)

Alagoas Convention Ends at Police Precinct—The PFL convention in Alagoas State, which was held on 28 May, ended at a police precinct because Deputy Jose Bernardes, the party's former president in that state, pressed charges against PFL Secretary Roberto Mendes, who disappeared with the book of acts right after the end of the convention. According to Bernardes, the book is in the hands of Godofredo Palmeira, brother of Senator Guilherme Palmeira, vice presidential candidate on Fernando Henrique Cardoso's ticket. (Sao Paulo AGENCIA ESTADO in Portuguese 2131 GMT 3 Jun 94)

Chile

State Possession of Easter Island Reaffirmed

PY2306015194 Madrid EFE in Spanish 2141 GMT 21 Jun 94

[Text] Santiago, 21 Jun (EFE)—The Chilean Government reaffirmed today that the territories of Easter

Island, a Chilean possession of 160 square km located 3,600 km west of the continent, whose inhabitants have been on indefinite strike since 20 June, belong to the state.

The islanders, who make up a population of 2,800 people, sued the Chilean Government for the return of their land, which was declared state property in 1933. They also want the electoral law reformed to give them a deputy and a senator to represent them in Congress.

The National Resources Ministry said today that "according to our legislation, and this has been recognized, the State of Chile owns the territories that make up Easter Island."

Interior Minister German Correa said in Santiago that not everyone in that community was on strike. He announced that an official of the Regional Development Undersecretariat will travel to the island in the next few days to examine the on-site situation and report to officials.

About 18 months ago a group of islanders took over the airfield at Mataverí Airport for several days, demanding more flights of Lan-Chile, which is the only airline that flies to the island, and protesting an airfare hike. This situation was resolved with the mediation of Interior Ministry Under Secretary Belisario Velasco.

Easter Island, which lives from tourism thanks to the 867 "moais" or giant statues spread over its territory, became famous last year during the filming of the picture "Rapa Nui" by U.S. actor Kevin Costner, who came to the island to direct the film, in which 300 islanders worked as extras.

Colombia

Pastrana Holds News Conference on Drug Tape

PA2306005394

[Editorial Report] Santa Fe de Bogota Emisoras Caracol Network in Spanish at 1519 GMT on 22 June broadcasts live in progress, from an undisclosed location, a 62-minute news conference by Andres Pastrana, former Colombian presidential candidate of the New Democratic Force party, with unidentified domestic and foreign reporters.

Pastrana begins by saying "the president-elect is lying when he tried to implicate the campaign of Andres Pastrana and Luis Fernando Ramirez in drug trafficking activities." He then adds: "That is why I convened this news conference, to set the record straight."

At 1521 GMT, Pastrana comments on the audio cassette recordings of individuals allegedly linking his and President-elect Samper's presidential campaigns with drug money. He then reads a statement, which begins by noting that "on 15 June at the Intercontinental Hotel in Cali, upon leaving a banquet offered by Valle del Cauca

political leaders, a person gave me a tape and said it was important." Pastrana then gives a chronology of the events leading up to the disclosure of the cassette recordings. Pastrana later reads a letter he sent to Samper asking him to rebut charges drug money was being used for his electoral campaign if there was nothing to hide, "a thing he did not do."

Pastrana explains he refused to use this recording for electoral purposes. He states: "Knowing about this tape before the elections, the cassette was not used for electoral purposes." At 1530 GMT, Pastrana begins playing a portion of the tape recording, with poor reception, of two unidentified individuals suggesting that Pastrana's and Samper's campaigns received drug money. He stops the recording to note that his campaign treasurer had turned down an offer, conveyed by journalist Alberto Giraldo, from "some people in Cali who wished to donate money for the campaign of Andres Pastrana." Pastrana then continues playing the recording of two unidentified men discussing possible campaign contributions.

After playing the recording, Pastrana says: "At no time does the recording refer to donations to my campaign." He then says he received a call from the prosecutor general asking him to confirm the delivery of the tape to President Gaviria, and he says he will confirm this delivery. Pastrana states that "from the tapes, it cannot be inferred that my campaign requested or received offers of drug money." He states: "If it is proven that the Colombian president-elect's campaign received funds from drug traffickers, he will relinquish the mandate he received from the people; otherwise his credentials will be distorted."

When asked if he is asking Dr. Samper to resign, Pastrana asserts: "If it is confirmed that drug money was used for his campaign, he should be ready to resign the presidency as I would be if I won the election and if my campaign had received drug money." When asked how can he assure he did not receive Cartel money, Pastrana says: "Do you think I would go to the president of the Republic and tell him, here is a tape that compromises me, please investigate me." He continues: "Three days before the elections I made a clear proposal. After learning about the tape, I said I was willing to resign if it were proven that there was drug money in my campaign."

Pastrana explains he is not hesitant to surrender the accounting books of his campaign, adding: "Those books are always open. In my case, we have not only turned the books over to the supervisory commission but also to the National Electoral Council, which closes out electoral campaign books." When asked if he would be willing to cooperate with the Samper administration after it is confirmed Samper did not receive drug money, Pastrana says: "I personally do not hope to participate in the Samper administration."

Pastrana asserts: "No one in the world can say my campaign was funded by drug money." When asked

about General Maza's involvement in this episode, Pastrana responds: "This is worrisome; there are statements in the recording that are very worrisome. It is up to the public to assess these statements."

Responding to an indistinct question, Pastrana says: "More than thinking about a deterioration of relations with the United States, the country demands that this matter be clarified." When questioned if he is ready to lead a movement to force the resignation of a corrupt president similar to those in Brazil and Venezuela, Pastrana says: "I would rather wait for the results of the investigation."

Pastrana concludes his news conference by saying he has received death threats from the drug cartels and by answering questions on the upcoming soccer match between Colombia and the United States.

Samper Concerned Over Pastrana's Remarks

*PA2306015694 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0029 GMT 23 Jun 94*

[Report by Azucena Lievano from the "24 Hours" newscast]

[Text] Today in a communique, President-elect Ernesto Samper said he is very concerned about the international repercussions of the bold statements made by Andres Pastrana. Samper's communique said: "I will not establish an electoral dialogue with the candidates defeated in the recent elections."

President-elect Ernesto Samper said his position today remains unchanged since yesterday. He reiterated the accounting books of his campaign are in the hands of the prosecutor, who has begun an investigation. He explained that those who are involved in irregular actions will not participate in his administration.

[Begin Samper recording] I want to reiterate my commitment to having my campaign funds open to review. I also want to reiterate my unyielding resolve to continue fighting drug trafficking. [end recording]

Samper also referred to the journalist implicated in this episode.

[Begin recording] [Unidentified reporter] What kind of relationship is there between you or the campaign and the journalist?

[Samper] None whatsoever. This journalist is not even a member of my party. [end recording]

Meanwhile, amid the controversy, Samper devoted time today to the homeless of Cauca Department. The governors of Indian communities today requested assistance from President-elect Ernesto Samper because, according to them, their living conditions following the tragedy are subhuman.

Samper met with the homeless who have been relocated to (?La Plata de Infal) and he pledged to develop specific actions, through the Agrarian Bank and other institutions, to help them get back on their feet and move to safer areas.

Senator Responds to Campaign 'Scandal'

*PA2206162594 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1200 GMT 22 Jun 94*

[Telephone interview with Senator Alvaro Pava by unidentified station announcer in Santa Fe de Bogota and Caracol News Director Dario Arizmendi in Los Angeles, California; from "Caracol's 0600 to 0900" newscast—live]

[Text] Senator Alvaro Pava has been mentioned in a recorded conversation which, the government has admitted, included the participation of journalist Alberto Giraldo and the Rodriguez Orejuela brothers. The government, which has made a comparison, has confirmed the voices in the recording belong to them, according to a Defense Ministry communique.

During the conversation between Giraldo and one of the Rodriguez Orejuela brothers, Giraldo says he had already talked with Pava, who had everything arranged. Last night, the "CMI" television newscast even reported that Giraldo had telephoned the station saying he had received a message from Rodriguez Orejuela offering to finance the campaigns of Andres Pastrana and Ernesto Samper, an offer which neither of the two candidates accepted. According to the "CMI" newscast, Giraldo had said he had talked with Pava and Hernandez of the Pastrana campaign and Santiago Medina of the Samper campaign but that neither of the two campaigns accepted the money the Rodriguez Orejuela brothers had offered.

We have Pava on the telephone and will ask him what he has to say about this report linking him to this scandal of the alleged participation of tainted money to finance presidential campaigns. Good morning, Dr. Pava.

[Pava] I am, of course, angry and shocked at the report that my name has been mentioned in connection with this type of conversation. I am particularly grieved by it. I have been listening to remarks by journalists and other people involved. The Attorney General's Office and control agencies that are determining the authenticity of the recording and the fact that it has been confirmed are likewise very important. I have known Giraldo for many years, as has the entire country. He is a respectable journalist and is a very important man socially.

As manager of Dr. Pastrana's campaign, I had no authority to collect any money. As Dr. Pastrana will surely explain during his news conference at 1000, such a collection was not my responsibility.

For the good of the country, institutions, and democracy, it is important to clarify this bothersome episode, which,

nevertheless, mars the prestige of Colombian institutions. For the good of all, and as the president-elect has said, the Attorney General's Office should conduct a thorough investigation to confirm, as quickly as possible, that what I have said is the truth. It assuages me to know that remarks have been made affirming and clarifying the facts. I have nothing to fear, but I am very upset that my name was mentioned in the cassette.

[Announcer] I will now connect you with our news director, Dario Arizmendi, who is in the United States.

[Arizmendi] I would like you to answer a question that is surely in the minds of many fellow countrymen. When Dr. Pastrana made a speech at the Tequendama Hotel on 19 June admitting his defeat, did he already know of the existence of the cassette and that it involved the leaders of the Samper campaign in this money deal that was apparently being secured through journalist Giraldo?

[Pava] Would you please repeat the question?

[Announcer] Arizmendi's question is this: On 19 June, when Pastrana said it was necessary to determine whether there was some participation of tainted money in the presidential elections, were the Pastrana campaigners aware of the existence of the cassettes disclosed today?

[Pava] According to a Defense Ministry communique that was released last night, Dr. Pastrana personally handed the cassettes with the conversations to the president of the Republic on 16 June. An unidentified person had given him the cassettes in Cali; therefore, I believe it can be said that he was familiar with the text of those recordings and that for this reason he revealed them to the authorities so an investigation could be conducted.

[Arizmendi] Is Giraldo's version as told to the "CMI" newscast true that he had talked with you and Dr. (?Veliz) of the Pastrana campaign to present the offer of the Rodriguez Orejuela brothers to finance the campaign, an offer to which you replied no?

[Pava] I am not familiar with that version. I could not say yes or no to something I did not handle. Giraldo must be regarded in the context of his life. You and the country know him. Let the people know that Alberto is a journalist who talks with political circles everyday. He has excellent relations. He is a friend of the president and all the ministers, former President Betancur, and the two presidential candidates. He has excellent relations and continually talks with the media. He is familiarly well-known as Crazy Man Giraldo due to his eccentricities. He is very well-known in the country.

He is always making inquiries, investigating campaigns. I had some responsibility in the campaign, and he was always asking me questions about the campaign. In addition, the country must know that since 1976 or 1977, he was attached to Cadena Radial Super, where I was deputy manager. He was assistant director for Javier Ayala, one of the leading Caracol journalists and his

personal friend. You all know him. Let the people know that he is always talking with national leaders, has lunch and talks with people.

I have talked with Giraldo about the campaign many times but not on the subject of money. May I repeat that I had nothing to do with it. I did not have to handle that or any other matter in the campaign. Of course, morally speaking, I could not accept a conversation of that kind. It was proposed to me, and I turned it down, of course. I could not hold such a conversation for moral principles and because it was not my responsibility during the campaign. I did not have to manage anything regarding money. My responsibility was a different one, as Pastrana will surely affirm during his news conference.

[Arizmendi] What will Pastrana say during his news conference today at 1000?

[Pava] I do not know what he will say. You will have to ask him. I suppose he will explain the campaign's position, which has been very clear. Pastrana's position will not be changed either in his public or private life. I suppose this will be his position, but I do not know what he will tell the media that have been invited to his news conference at 1000.

[Arizmendi] How do you interpret Giraldo's remarks that he talked with you and Dr. [words indistinct] to offer the money that you refused?

[Pava] The Attorney General's Office will investigate this remark, which upsets me. I expect the Attorney General's Office and investigative agencies to establish the truth. May I repeat: I could not have accepted any such dialogue because it was not my responsibility. If it was proposed to me, surely I turned it down, because, morally speaking, I cannot accept such a dialogue for obvious reasons.

[Arizmendi] What do you think of Samper's initial position? Are you satisfied with his explanation?

[Pava] I believe the president-elect has spoken clearly. The two campaigns should ask the authorities to clarify this matter. From the viewpoint of the institutions, this speculation risks much regarding the institutions. The country requires absolute clarity on the subject. The president has spoken very clearly and has inspired confidence in the country regarding management of the money the campaign had used. We hope his assertion will coincide with the result of the investigation that the proper authorities will conduct.

Army Tries To Confirm Capture of Top EPL Leader

PA2206193394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1612 GMT 22 Jun 94

[Text] Francisco Caraballo, the top EPL [People's Liberation Army] leader and one of the most wanted guerrillas in the country, reportedly was captured near Santa Fe de Bogota a few hours ago.

Emisoras Caracol Network has learned that in an operation conducted near the capital—either in Chia or Cajic—seven people, including Caraballo, were apprehended. The Army, with the assistance of the National Registrar's Office, is now attempting to confirm whether the captured individual is indeed Caraballo. A news conference will be held within the next few hours by the 13th Infantry Brigade to report on the details of this operation.

Caraballo, who was active in Cordoba and Antioquia's Uraba region, has long been involved in the EPL's war against Patriotic Unity in Uraba. He is Fidel Castano's No. 1 enemy and, we reiterate, one of the Colombian Army's most wanted guerrillas.

More on Arrest of EPL Leader

PA2306014694 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0000 GMT 23 Jun 94

[Report by Alvaro Ayala from the "24 Hours" newscast]

[Text] The Army has arrested guerrilla leader Francisco Caraballo, top leader of the People's Liberation Army [EPL], who was being sought by authorities, 10 minutes from Santa Fe de Bogota.

Troops headed by General Norberto Adrada Cordoba arrested top EPL leader Francisco Caraballo. The Army mounted an intelligence operation two years ago because they knew he had to come to Cajiga to visit his wife and son. He arrived last night and was arrested this morning.

[Begin recording] [Caraballo] When I became a guerrilla, the possibilities for joining a legal political movement with the opportunity of being a political opposition were closed.

[Unidentified reporter] Why did you murder the surgeon-priest?

[Caraballo] I did not murder him.

[Reporter] Why did you order his murder?

[Caraballo] I did not order him killed.

[Reporter] But you never wanted peace, and you have shown you do not want peace.

[Caraballo] I disagree with that.

[Gen. Hernan Jose Guzman] This is a hard blow to the guerrillas because in less than 15 days, the Army has arrested their commander, their third person in command, and other members of the organization. We have also arrested Genaro [not further identified], who was the coordinator of their activities. [end recording]

The arrest of guerrilla leader Francisco Caraballo was the result of an intelligence operation conducted by the Colombian Army; no reward was paid.

Ecuador

Indians Protest Land Development Law

PA2206124094 Quito Voz de los Andes in Spanish 2300 GMT 21 Jun 94

[From the "Voz Andes Newscast"]

[Text] The Indians have announced they will continue their uprising to pressure the Court of Constitutional Guarantees to declare the Land Development Law unconstitutional. Indians from the Confederation of Indian Nationalities of Ecuador [Conaie] appeared today before the Court of Constitutional Guarantees to pressure the court into handing down a decision that declares the Land Development Law unconstitutional. Conaie President Luis Macas denied having reached an agreement with the government regarding the formation of a joint commission to regulate the law's enforcement.

[Begin Macas recording] The government is responsible for what has happened up to now. Obviously, the National Congress is equally responsible. We would also like to make one thing clear: We realize it is extremely difficult for the Ecuadoran people to understand us. We would like to say, however, that those who are spreading uncertainty and violence in the countryside are those who violated the Constitution at the National Congress, followed by the president's sanctioning of an unconstitutional law. [end recording]

The Indians, who came down from several Ecuadoran mountain provinces, chanted slogans and said their protests will only end with the repeal of the law or with their deaths.

Carlos Jaramillo, president of the Court of Constitutional Guarantees, promised to process the Indian request as quickly as possible. Luis Macas, on behalf of the Ecuadoran Indian communities, discarded the possibility of reaching any type of agreement with the government. He assured that the Indians would only end their protest when the land law is repealed. The Indian uprising, then, will continue to pressure the Court of Constitutional Guarantees to overturn the law.

Chimborazo Province is completely paralyzed at this time by the Indian demonstrations. In our midday newscast, we reported on the situation there with statements by one of the strike coordinators. In the town of Guamote, Indians occupied the main administration building. This morning, they said they are ready to go as far as they have to. They are also demanding the government revoke the law. Deputy-elect (Cesar Vuelva) of Chimborazo Province said they will not return to their homes until the law is annulled.

[Begin (Vuelva) recording] Three Indians have died—one from Tungurahua and two from Canar province—and we still have no specific answer to our request from the president. They may propose we reform the law's articles, or to draft the regulations to enforce the law. We

cannot support this. The rank and file of the Indian organizations have ordered us to demand absolute repeal of the law.

(Vuelta) maintains that the peasant-Indian coordinating board is more united now than ever before, and no one will be able to dissolve the peasants' organizations.

FUT Calls For General Strike 28 Jun

PA2306022894 Quito Voz de los Andes in Spanish 2300 GMT 22 Jun 94

[From the "The Voz Andes Newscast"]

[Text] Today, the United Workers Front, FUT, which groups the country's major unions, called for a general strike next Tuesday. It also called for marches and demonstrations all over the country starting today, Wednesday, although the state of emergency President Sixto Duran Ballen decreed last night is still in force. The labor groups made their decision at 1430, and a union spokesman made the announcement.

The FUT reached its decision after a meeting that lasted several hours. The unity of the people will decide matters, the group said. Duran Ballen decreed a state of emergency on Tuesday night when protests in the country, begun by Indians and peasants on 13 June, escalated. The Indians and peasants began protesting immediately after the approval of an agrarian law that they describe as racist and illegal. There are approximately five million Indians in Ecuador. The union members decried the militarization of the country with the enforcement of the state of emergency and said that despite the state of emergency, several major and secondary highways remain blocked, something the government military chiefs denied earlier.

Tungurahua Governor: Situation Improving

PA2306041194 Quito Voz de los Andes in Spanish 2300 GMT 22 Jun 94

[From "The Voz Andes Newscast"]

[Text] Tungurahua Governor Santiago Barrilla reports that the situation in his province has started to improve and that the government's emergency decree has been very positive.

[Begin Barrilla recording] The emergency decree has been very positive to balance the economic, social, and cultural activities, especially in (?Apat) City. We are also normalizing activities related to the supply of agriculture products. In all the cantons, with the exception of Figaro and Cevallos, the situation has normalized. The reports from Figaro indicate that it is no longer a peasant protest but that political agitators have taken over. We have been told that the Figaro and Cevallos municipal council presidents are the ones inciting against the government. The agriculture sectors are not protesting. In Salasaca,

between Pelileo and Ambato, there are still groups that resist and do not allow vehicles to pass. [end recording]

Government Closes Several Radio Stations

PA2306042994 Quito Voz de los Andes in Spanish 2300 GMT 22 Jun 94

[From "The Voz Andes Newscast"]

[Text] [Name indistinct] has charged that the mobilization decree is unconstitutional and that military forces working in Cotopaxi, Tungurahua, Chimborazo, and El Loro have already silenced several radio stations and peasant groups.

We reported during our noon newscast that Radio Latacunga in Latacunga had been closed, as well as the radio station of the Radio Schools in Chimborazo province. Manuel Mena, the General Communications Secretariat representative in Azogues, gave us the following report on the situation in the province.

[Begin Mena recording] Answering your question, we have been strictly complying with the executive decree that went into effect at 2300 yesterday, in the province of [words indistinct]. General Ordonez, the Army commander of the [words indistinct] stationed in Cuenca, Azuay province, has issued the corresponding orders so that Army personnel can clear the roads in the sectors of [words indistinct] Canaro, Tambo, and onward, the [word indistinct] crossroad that divides the road leading to the coastal and northern areas of the country.

Furthermore, you probably already know what is happening in the area where the residents have taken this long-lasting problem into their own hands [words indistinct]. The strike committee is presided over by Galo Penagil, the president of the municipal council in this area. They took this position of force and proceeded to close the roads that join the provinces of Guayas, Dos Rios, and El Loro in northern Ecuador. The situation is still very worrisome because, although it is true that the government decreed the state of emergency, the flow of traffic is still not normal [words indistinct] and shortages continue to be felt in the southern part of the country. [end recording]

Paraguay

Wasmosy Criticizes Legislators on Draft Defense Law

PY2206221694 Asuncion ULTIMA HORA in Spanish 22 Jun 94 p 4

[Text] This morning, President Juan Carlos Wasmosy requested that comments and criticism with respect to the Armed Forces be made with some kind of foundation and that those making these criticisms "at least have completed the fourth grade."

In an open criticism of the education of legislators studying the draft bill on the National Defense Organic Law, the president said: "I think people with experience should comment on these kinds of issues, particularly military issues. But it is precisely those who have not completed the fourth grade or done their military service who want to comment."

The head of state made these comments when asked about the position of legislators who support the idea of having an equal number of military and civilian representatives in the National Defense Council. The occasion was the celebration of the "Day of Military Justice" at the Diserjuml [Military Justice Service Directorate] premises in Itaugua.

Rear Admiral Carlos Lopez Moreira agreed with Wasmosy, and pointed out that the executive bill essentially seeks "to avoid excessive bureaucracy." Lopez Moreira said the idea is to avoid having a gigantic National Defense Council that would be difficult to assemble. The admiral added that officers are not opposed to including "civilians" on the council, as some legislators want to make people believe.

Chamber of Deputies Defense Committee members, who were scheduled to discuss the retirement of Armed Forces officers who want to run for president or other important positions, decided to postpone the discussion of the issue until 29 June, due to the absence today of the military representatives.

According to a note remitted to Defense Committee President Sergio Lopez, the military representatives justified their absence "due to service reasons."

Military Group Challenges Party Membership Law

PY2306022994 Asuncion ABC COLOR in Spanish
22 Jun 94 p 8

[Text] Yesterday, another important group of Armed Forces officers presented a second petition challenging the constitutionality of the law temporarily suspending their political party affiliations. Those who signed the petition are Army lieutenant colonels, majors, captains, first lieutenants, lieutenants, and sublieutenants.

Court sources reported that the petition was signed by 18 lieutenant colonels, six majors, 31 captains, 42 first lieutenants, 12 lieutenants, and four sublieutenants.

General Staff spokesmen said that in the next few days Air Force and Navy officers will join the group who yesterday filed their petition against the law suspending their affiliation.

Same Arguments

We could not read the document presented in court. We learned, however, that the lawsuit is based on the same arguments used by generals and colonels in their lawsuit last week.

The main arguments used by high-ranking and lower-ranking Army officers in their lawsuit is that the law affects their acquired rights, and that its effects cannot be retroactive.

"Pancho" de Vargas's Threats

Military circle spokesmen said that the threats aired by the Chamber of Deputies President Francisco Jose de Vargas against those who signed the lawsuit were decisive for many who signed the document.

Francisco Jose de Vargas suggested he would not approve the promotion of officers supporting the challenge against the constitutionality of the law on affiliations at the end of this year.

Editorial Notes Entrepreneurial Views on Economy PY2306001694 Asuncion ULTIMA HORA in Spanish 21 Jun 94 p 14

[Editorial: "Entrepreneurial Speech and Economic Reality"]

[Text] On the Day of the Entrepreneur, Feprinco [Federation for Production, Industry, and Trade] read a message giving broad support to Juan Carlos Wasmosy's economic policies, questioning Congress' performance, and explaining its differences with workers.

Entrepreneurs are decisive actors in our country's growth and in achieving social equality. They must understand that looking after the needs of the poorest groups of society seeking a juster distribution of wealth is intimately linked to authentic development and the ideal of democracy.

The Feprinco chairman's 17 June message broadly agrees with the official speech, particularly in saying that some government initiatives are steps in the right direction; in stressing that Congress is laying obstacles to economic reform and blocking the approval of bills submitted by the executive branch, particularly on privatization; and in emphasizing that the labor unions are not supporting the plan of economic stability with their demands for inappropriate salary adjustments and calls for strikes.

This way of seeing reality refers directly to the "machine for prevention," which is frequently cited by President Wasmosy when people point out his scant economic achievements and his even less successful policy in solving social problems.

The entrepreneurial leadership is obviously concerned by the invasion and plundering of rural properties, which in Feprinco's opinion is part of a plan to destabilize the government. But entrepreneurs do not deny that the real problem is a very unequal land distribution, and that rural development or any significant increase in agricultural productivity will not be possible as long as the current land distribution scheme persists.

Feprinco is seriously concerned about the fact that demographic pressure on employment "is exploited by some labor leaders opposed to changes leading to improved production and labor conditions." We, however, must also consider that real salary levels cannot be sustained or contribute to encouraging productive or commercial activities without regulations because of labor market structural conditions and the large and growing labor supply.

Besides, entrepreneurs continue to link salary increases with inflation. They call attention to "public company labor leaders' insistence in demanding salary increases over and beyond the budgetary possibilities."

Feprinco, however, is satisfied because "steps are being taken to dismantle the inherited state interventionist role," because the government is controlling inflation, and because the executive branch has produced very important bills, which are almost indispensable, to introduce needed changes in the state apparatus in order to liberate the economy.

The entrepreneurs' speech superficially mentions the need to diversify agricultural production and to create an adequate legal framework for industrial investments, but it does not mention the wish for a deep productive transformation with substantial social equality.

Peru

U.S. International Leadership Role Viewed

PY2206144394 Lima EXPRESO in Spanish 10 Jun 94
p A26

[Editorial: "Gulliver Tied Down By Moral Strings"]

[Text] Delegates to the annual OAS meeting in Brazil expressed their opposition to an armed intervention in Haiti to restore Jean Bertrand Aristide's democratic government. The small English-speaking Caribbean countries expressed support for military action against the Haitian military coupists. Nothing suggests, however, that they did so because of U.S. pressure when even the Clinton administration seems unenthusiastic about supporting such military action.

It seems that good sense has finally prevailed. Democracy is not imposed through armed invasions. This is, however, frequently overlooked in politics on the basis of the strong moral justifications which have dominated Washington and North America for many years. Although Republican administrations were responsible for the military operations against Grenada and Panama, the democrats' "moral" reasons are also very strong. The truth is that its experience in Somalia, which is considered a failure, has embarrassed the United States. In view of this, it has reviewed, once again, its moral role in the world.

Some time ago, Clinton explained that the United States cannot resolve world problems. Perhaps this means it

will not even try in the future. This means the bloodbaths in Rwanda and South Yemen will continue indefinitely, enabling the U.S. Administration to maintain peace of mind. It tried, it failed, what else can be done. All this is fine if it entails an end to military invasions justified through legal resolutions. It is bad, however, if it means the United States—paralyzed by moral contradictions—will conduct its international affairs in a disorderly fashion.

The Clinton administration has been fiercely criticized for renewing China's most-favored-nation status, overlooking human rights violations. What is condemnable, however, is not the fact that it has made an exception with China, but that it has not done so in other instances. While the reasons may differ, there is no need to insist that exceptions apply only in terms of trade.

There is no sense to military intervention of Haiti. Not just because the OAS, with good sense, rejects the imposition of democracy through military force, but because U.S. intervention in international affairs depends on the nature of the issues in question. Undoubtedly, every human life is precious, but human rights violations in China are not the same as the massacre of hundreds of thousands of Rwandans or Somalis. Furthermore, it is not absolutely clear that the military action in Somalia was wrong. The international community, through the United Nations, made a courageous decision to stop the massacre of innocent people. This is not the same as imposing commercial or military sanctions on a country to restore democracy.

The international community needs a leader who can decide where to act and where not to act. If the Clinton administration does not overcome its moral paralysis, it will be tied down like Gulliver by the Lilliputians.

Fujimori Invites Jiang Zemin To Visit Peru

PY2206133194 Lima EL COMERCIO in Spanish
12 Jun 94 p A4

[Text] Following a round of official talks, PRC President Jiang Zemin and Peruvian President Alberto Fujimori expressed satisfaction over the development of the friendship ties and cooperation in the economic, trade, cultural, technical, and scientific fields.

This was stated in a press note released by the Peruvian Foreign Ministry, which states that Peru reasserted its support for the principles expressed in the communique on the reestablishment of diplomatic relations between Peru and the PRC and for "a single China" whose only legal representative is the government of the PRC.

Peru and China signed an agreement for the promotion and protection of investments, a consular agreement, and an agreement on export credits for buyers granted by the Bank of China to the Republic of Peru.

China expressed its wish to further intensify its friendship ties with Latin American countries. The two countries mentioned points of common interests that will help to develop a link between the Pacific Basin and Latin America.

After thanking the PRC president, President Fujimori invited Jiang Zemin to visit Peru. Jiang Zemin gladly accepted the invitation.

Government Supports China Joining IDB

PY2206155494 Lima EL PERUANO in Spanish 10 Jun 94 p A2

[Excerpt] Beijing—Yesterday, President Alberto Fujimori said that Peru will support China's effort to join the Inter-American Development Bank (IDB). He said this after meeting with Chinese President Jiang Zemin on his first day of his second official visit to China.

The presidential talk was held at the Diao Yu Tai house of illustrious guests. It lasted two hours. Fujimori said later that trade relations will improve if China joins the IDB. The proposal to have China join the IDB is also supported by other Latin American countries.

President Fujimori pointed out how important China is for Peru. He said China is the only country where he has paid two official visits during his administration. He added Peru wants more Chinese technology and called on Chinese companies to invest in Peru. [passage omitted]

Defunct Radar Opens Upper Huallaga to Trafficking

PY2206161494 Lima EL COMERCIO in Spanish 11 Jun 94 p A14

[Text] Defunct U.S. radar installations have permitted Colombian and Peruvian drug traffickers to once again collect drugs in the Upper Huallaga valley, from where they "moved" some years ago when the FAP [Peruvian Air Force] began operations there.

Proof of this is a seizure by Dinandro [Antidrug Division] of 537 kg of cocaine base, weapons, and communications equipment on 5 June in Biabo district, Bellavista province, San Martin department. Biabo, which is on the left bank of the Huallaga River, 6 km from Bellavista, had been free of traffickers. The traffickers are said to have returned to the area. An individual known as "Lucho Tulon" might be one of the big shots.

The drugs, weapons, and communications equipment were buried in three "cellars"—a type of silo—some 500 meters from a house that had been raided. This is one of the most important events, following the seizure of 3,500 kg of cocaine base in Boca Manu, El Diamante, Madre de Dios, and in Inapari.

Actions by the Army and the Antidrug Division (Dinandero) of the PNP [Peruvian National Police] in coca

producing areas in Apurimac, Ayacucho, Pasco, and Madre de Dios has helped to drive traffickers to Upper Huallaga.

As is known, when FAP Tucano planes began operations in 1992, the interception of Colombian traffickers' planes was intensified. Some 200 small planes and civil planes are known to have been intercepted in coca growing areas since the start of FAP operations.

FAP Tucano planes operated from illegal airstrips in the jungle, helped by the U.S. radar installations in Yurimaguas, and the Orion and AWACS planes.

As of May, however, the United States suspended radar operations leaving FAP Tucano planes without classified information to help intercept traffickers' planes. The traffickers took advantage of this and have resumed their illegal work in the Huallaga region.

Colombian Cartels Increase Flights to Huallaga

PY2206172094 Madrid EFE in Spanish 1144 GMT 21 Jun 94

[Text] Lima, 21 Jun (EFE)—A military source reported today that, following the suspension in May of U.S. logistic support to combat the transportation of cocaine by air, trafficking in Peru has regained what it lost over the past couple of years.

The source added that drug mafias have increased their flights. He said they resumed operating in the Huallaga Valley from where they were forced to withdraw in 1993 in view of effective repressive operations by the Peruvian Air Force (FAP), which operated with the support of U.S. radar installations.

Opposition Legislator Julio Castro Gomez has stated that if the current level of trafficking flights is maintained, it will reach 10,000 by the end of the year.

With each flight, the Colombian drug "cartels" transport guns and money to Peru in exchange for cocaine paste which is later transformed into cocaine hydrochloride in Colombian laboratories.

Castro Gomez stated that according to official sources, the Colombian planes transport between 1,300 to 1,500 metric tons of cocaine paste per year, and leave in Peru somewhere between \$1.5 and \$2 billion.

Trafficking has been back to normal since May when the U.S. Government closed down the only fixed radar it operated in Peru. It also decided to suspend flights of its AWACS E-3 and Orion P-3 planes, equipped with modern flight detection equipment.

The U.S. withdrawal, which took Peruvian officials by surprise, compelled the Peruvian Government to issue a formal protest. They reasserted, however, their firm political willingness to continue the antidrug struggle with their own resources.

Achieving this goal is, however, very difficult because Peru lacks the indispensable economic and material means to stop the shipments.

A high-ranking FAP official has stated that the U.S. decision "has left us virtually blind. We are frustrated because drug traffickers are flying right under our noses and we are unable to do anything about it."

The same source noted that the only means available to the FAP to combat the drug cargoes are four battered T-27 planes, two helicopters, and eventually, two more A-37 planes.

By comparison, the traffickers are equipped with modern planes that can easily dodge FAP planes and make night flights with special equipment.

The military source stated: "A T-37 flies at 200 knots and at 26,000 feet, while drug mafia planes reach 300 knots and 30,000 feet."

A U.S. technical mission arrived last week in Peru to explain the reasons for withdrawing its logistic air support. The result of the negotiations have been kept strictly secret.

The Peruvian press reported, nevertheless, that U.S. support was suspended for fear of legal complications for the United States in the event of a downing of a civilian plane "by mistake."

This comes following a recent experience in which a U.S. warplane mistakenly shot down two U.S. helicopters in Iraq.

The FAP spokesperson stated that U.S. Government's concern does not apply in Peru's case because experience has shown that the FAP complies with international regulations for the interception of planes.

He said: "When we intercept a plane we comply with the steps of verification, identification, and communication. Only then, and if it refuses to comply with orders, do we fire at nonvital parts of the plane and, as a last resort, shoot it down."

The Peruvian press has reported that it seems the United States wants to establish "specific legal guidelines" under which Peru will assume full responsibility if a civilian plane is mistakenly downed.

Some trafficking experts have stated, however, that Washington's fears do not justify withdrawing U.S. air logistics support from Peru. They added that the U.S. decision "causes doubts about its political willingness to combat the issue."

Economy Minister Seeks Plan To Reduce Debt

PY2206221494 Lima EL PERUANO in Spanish 11 Jun 94 p A2

[Text] London—Economy Minister Jorge Camet has said that Peru wants a Brady Plan-style agreement to reduce the

debt it owes to banks before the end of the year. He said he hopes to conclude negotiations with creditor banks by the end of the year, and has great expectations over the amount by which the debt might be reduced. He explained that commercial banks have taken several provisions to prevent losses in Peru, and that consequently the government hopes to make a good deal. Peru owes international commercial banks approximately \$6 billion, 50 percent of which is overdue interest.

Camet said Peru should be given favorable treatment on payment of overdue interest. "We will obviously be granted a big discount on capital and interest," he said.

The minister noted that the Democratic Constituent Congress (CCD) should conclude its investigations into the alleged irregularities involving the Mantaro and Pachitea ships in order to expedite negotiations over the foreign debt.

Talks with Peruvian creditors have been delayed pending a resolution by the Chemical Bank and American Express, which granted \$37 million in credit for buying the ships.

Camet explained that the Peruvian Government does not intend to return to the international capital markets soon. "Instead of borrowing to repay our debt, we must arrange to repay it over a long period. Peru has enough reserves for one year of imports. Besides, we must repay our rescheduled debt," he said.

The minister attended a conference sponsored in London by the International Herald Tribune and by the Inter-American Development Bank. In his lecture, he said that Peruvian economic reforms are irreversible, and that the result of the presidential elections scheduled for April 1995 will not affect them.

Use of Privatization Funds Explained

PY2306022494 Lima EXPRESO in Spanish 10 Jun 94 p A23

[All figures as published]

[Text] Yesterday, the government gave for the first time a detailed account of how it has been using the resources obtained from the privatization process during 1992, 1993, and 1994.

Finance Vice Minister Alfredo Jalilie, who appeared before the CCD [Democratic Constituent Congress] Budget Commission to explain how the budget was implemented during the first quarter of the year, said that he would "clear up the great doubts" the people have about how the funds obtained from the privatization process are being used.

Jalilie started off by explaining that from 1991 up to 7 June of this year, the state has obtained approximately \$1.714 billion from the privatization process, in addition to \$3 million in interest earned by these funds.

The vice minister added: "In 1991, the state obtained \$1.738 million; \$45 million in 1992; \$166 million in 1993; and \$1.5 billion so far this year." "Important companies such as Interbank, Continental, and Lima Electric Power Enterprise will be privatized this year. It is therefore quite likely that an additional \$1 billion will be obtained."

Jalilie then itemized the expenditures financed with privatization funds, justifying each expenditure with the corresponding law. He explained that to date, from the \$1.717 billion (privatization resources plus interest), a total of \$242 million (or the equivalent of 511.9 million Peruvian soles) has financed social programs as stipulated in the privatization law. There is therefore a surplus of \$1.475 billion that has still not been used.

The 511.9 million soles were spent in the following way: 6.8 million in 1992, 376.6 million in 1993, and 128.5 million in 1994.

Jalilie explained that "according to the letter of intent signed with the IMF, the maximum amount we can use this year from the privatization process is \$865 million."

The 6.8 million soles used in 1992 were earmarked for the public universities. The 376.6 million soles used in 1993 were for the social projects designed to eradicate poverty executed by Foncodes [National Compensation and Social Development Fund], Pronaa [National Food Assistance Program], and the Education and Agriculture Ministries, among other programs, such as those to equip the universities, broaden the electricity supply network, acquire the Lima thermoelectric plant, build several schools, and repair the highway network.

In 1994, the 128.5 million soles obtained from the privatization process were used for the Glass of Milk program implemented by the municipalities, Foncodes, Pronaa, and Infes [National Institute of Education and Health Infrastructure].

After this explanation, Jalilie said that social expenditure must be interpreted, above all, as an effort to improve the living standard, and this is why the state invests in schools, universities, etc. The vice minister ended his explanation by stating: "The results of this sort of social expenditure will appear in the long term."

As he left Congress building, Jalilie said that "for the time being there is no need to reorganize the budget. But at the end of the last quarter of the year we will have to make some adjustment with a supplementary loan to be coordinated with the Budget Commission."

In his capacity as president of the National Bank, Jalilie also referred to this institution: "A total of 2,000 employees have resigned, many more than we expected. As a consequence, the National Bank will now operate with only 2,750 employees, as an agile, modern, and competitive bank."

Regarding the implementation of the budget during the first quarter of this year, Vice Minister Alfredo Jalilie,

who was accompanied by Budget Director Reynaldo Bringas, said that less than expected had been spent. During this period the central government's income amounted to 2.746 billion soles, while its expenditures amounted to 2.686 billion soles, 542.9 million soles less than expected.

Jalilie commented that "this is normal every year," and added that "during the first quarter the goals that were set were not attained because the disbursements of multilateral organizations were delayed until the second quarter of the year. Therefore, a series of projects that were being financed with these funds had to be postponed."

Lastly, Jalilie explained that the "prospects for this year are very favorable. We are going to close the year with a 0.6 percent deficit in the GDP, which had been estimated at 1.8 percent."

In 15 days' time, the Treasury will issue BCR [Central Reserve Bank] Capitalization Bonds amounting to 200 million soles, which will allow the Central Bank to withdraw the excess amount of soles resulting from the purchase of dollars to avoid the exchange rate from dropping.

Jalilie explained that "with these bonds the BCR will have a valid tool for eliminating these soles and thus eliminate the fiscal deficit they were generating."

The vice minister explained that the AFP's [Pension Fund Administration Companies] had insisted on the issuance of those bonds for investment purposes as they are profitable, generating a monthly interest of 1.8 percent.

These 200 million soles are part of the 618 million soles to be issued as BCR funds, although the difference will not generate interest.

Popular Christian Party Secretary General Named

*PY2206192394 Lima EL COMERCIO in Spanish
10 Jun 94 p A5*

[Text] Yesterday, Congressman Antero Flores Araoz assumed, for the second time, the Collegiate General Secretariat of the Popular Christian Party (PPC) replacing Alberto Borea Odria who resigned.

Flores Araoz said he accepted the secretariat in compliance with party internal regulations but called for complementary internal elections as soon as possible to fill vacancies.

In accordance with party regulations, Florez Araoz, Lourdes Flores Cano, and Ricardo Amiel Meza are PPC leaders. Flores Araoz was installed by PPC President Luis Bedoya Reyes in the presence of the entire Enlarged Political Committee.

Uruguay

Herreraist Candidate Proposes 'Popular Capitalism'

PY2206213494 Montevideo EL OBSERVADOR ECONOMICO in Spanish 14 Jun 94 p 4

[Text] Herreraist presidential candidate Juan Andres Ramirez yesterday launched the idea of "promoting popular capitalism," proposing the creation of a "capital fund, and making public savings really useful, encouraging investment, and through this boosting productivity."

Ramirez listed several bills destined to implement his proposal, among which he mentioned the laws for issuance of bonds by state enterprises, for regulating the capital market, for amending the corporations law, for regulating investment funds, and the bill on domestic holdings.

Ramirez called on young people to join political parties and to vote with responsibility.

The candidate delivered a speech at the third Uruguayan Marketing Forum at the Municipal Palace yesterday afternoon. In the evening he addressed more than 200 youths at a meeting in the Herreraist faction headquarters.

To the marketing executives, Ramirez used the word "popular capitalism," a model that the Christian Democratic Party used in Germany after World War II, and which gained publicity during Margaret Thatcher's government.

The Herreraist candidate explained that there are four basic conditions "without which competitiveness and prosperity are impossible to achieve." He said the first such condition is that "the state should not become an obstacle, with utilities setting prices as monopolies and with a heavy tax burden underwriting inefficiency."

He added that "the laws should not promote inequality, which is arbitrary and discretionary" and, as the third condition, that "the country cannot be exposed to the ups and downs of international trade."

He said the fourth condition was "to preserve freedom and equality on the market, which are constitutional principles."

At the evening meeting with the youths, Ramirez said that "the country will not reverse its course, and no one has proposed a serious alternative to what we have begun in this administration."

He added that "beyond the model that the country might promote, everyone agrees that the first requirement concerns stability and the balance of accounts of the government, which should not spend anything over revenues and should not fuel inflation needlessly."

He claimed that "in no other Latin American country is life better than it is in Uruguay," emphasizing that under the current administration "the number of people who cannot meet their basic needs has dropped 50 percent."

Ramirez upheld individual freedom, but warned that "there is an ethical foundation for everything, and justice is the first objective of society. We must achieve justice," he emphasized.

Leading Candidate Proposes Delaying Mercosur

PY2206233594 Asuncion NOTICIAS in Spanish 21 Jun 94 p 23

[Text] Montevideo, 20 Jun (AFP)—Former Uruguayan President Julio Maria Sanguinetti, who leads all surveys measuring the popularity of the presidential candidates in November's elections, demanded a "four-year" delay in installing the Common Market of the South (Mercosur).

"We must be realistic and postpone the implementation of Mercosur by four years, in order to be able to complete this stage of transition and then begin a stage of preparation," Sanguinetti said during a campaign speech.

According to the former head of state, Argentina, Brazil, Paraguay, and Uruguay, the four Mercosur member countries, "are not ready to close an agreement establishing a Common External Tariff (AEC)," which is an "essential" prerequisite for a common customs union in the region.

Macroeconomic differences and the diverging objectives of the partner nations' productive mechanisms makes it necessary "to seek accommodation and a balance in all situations" before materializing a common market in America's Southern Cone, Sanguinetti warned.

"We must compete among ourselves, but we must do it on an equal footing, and not before," Sanguinetti added. The remarks made by Sanguinetti, one of integration's staunchest supporter during his administration (1985-1990), provoked a commotion in Uruguay's political and entrepreneurial circles.

Uruguay's Foreign Minister Sergio Abreu disagreed with Sanguinetti, confirming that "Mercosur is maintaining its deadlines." "We are committed to implementing the free trade treaty by 1 January 1995. We are working on it," Abreu said.

Chamber of Industries spokesmen expressed support for the former president's initiative, and issued a communique stressing "the urgent need" to postpone the beginning of Mercosur in order to complete the retooling of existing plants and be able to successfully compete in a more demanding market.

The deadlines get closer, but the disagreements among member countries on establishing a common AEC continue, as is shown by the poor results obtained in Buenos

Aires by the four member countries' economic vice ministers on 17 June. Spokesmen for the meeting said that the representatives "made a lot of progress," but admitted there are still some hurdles to clear before agreement can be reached on an AEC that will satisfy the four Mercosur member countries' governments.

Economic analysts consulted by AFP estimated that a free trade zone could be installed in the region by 1 January 1995, but ruled out the possibility of having a customs union consolidating the greatly heralded common market by that date.

Four years ago Argentine President Carlos Menem, Uruguayan President Luis Alberto Lacalle, then Brazilian President Fernando Collor de Mello, and then Paraguayan President Andres Rodriguez signed a treaty in Asuncion committing their countries to creating a common market in the region by 1995. "We fervently support our countries' integration," Sanguinetti said. He demanded, however, "prudence" in the handling of the deadlines for installing it.

Venezuela

Riots Erupt in Moron, Puerto Cabello; Students Protest

PA2206195894 Paris AFP in Spanish 1805 GMT
22 Jun 94

[Text] Moron, Venezuela, 22 Jun (AFP)—Riots, during which two grocery stores were looted, rocked Moron and Puerto Cabello today. Meanwhile, student protests were staged in Caracas.

The disturbances took place in Moron after a march was called to protest the high cost of living, but the situation is already under control, according to statements to the media by Governor Henrique Salas. Similar protests were staged in nearby Puerto Cabello.

Valencia—the country's third largest city located 100 km west of Caracas—was left without bus service because of a strike. Drivers are demanding higher bus fares, according to the governor.

Around noon, protests were staged near the Central University of Venezuela in Caracas, and local journalists reported that police had arrived on the scene.

500 Arrested, 1 Killed in Carabobo Riots

PA2206233794 Caracas Union Radio Network in
Spanish 2200 GMT 22 Jun 94

[From the "Union Radio News" newscast]

[Text] Riots in Carabobo State left one person dead, hundreds injured, three police agents wounded, two trucks burned, and 500 people arrested.

[Begin reporter Xiomara Gallardo recording] The riots started at the end of a march held as part of a day of civic demonstrations, which took place today to protest price speculation and increases in public services rates. The National Guard and the Carabobo State Police intervened in the riots and militarized the city's main streets. Police Chief Osvaldo Barreto said the situation is already under control. [end recording]

Meanwhile, there was a new wave of protests at the Central University of Venezuela this afternoon.

[Begin reporter Florisol Suarez recording] Masked university students again clashed with the Metropolitan Police after a truck belonging to the Caracas Electrical Company was burned. There was even a shootout between police agents and masked students; no one was injured. The Rinoceronte, an armored vehicle, arrived at the scene of the shootout. [end recording]

Caldera Orders Release of 2d Coup Attempt Leader

PA2206171894 Caracas Union Radio Network in
Spanish 2200 GMT 21 Jun 94

[From the "Union Radio News" newscast]

[Text] President Rafael Caldera has ordered the release of General Francisco Visconti, leader of the second coup attempt who was in exile in Peru for more than a year.

Visconti has received the presidential pardon in exchange for a discharge from the Armed Forces as part of the conditions the government had demanded to approve the pardon.

Accords Signed With Portugal To Broaden Ties

PA2206215994 Caracas Union Radio Network in
Spanish 2200 GMT 19 Jun 94

[From the "Union Radio News" Newscast]

[Text] Portugal and Venezuela have broadened even more their bilateral ties with the signing of three agreements that will be used as a frame of reference for future negotiations between the two countries.

At the meeting held at the Yellow House, Portuguese Prime Minister Anibal Cavaco Silva and Venezuelan President Rafael Caldera signed three agreements on reciprocal investment promotion and protection; cooperation; and prevention, control, supervision, and suppression of illegal consumption and trafficking of drugs and psychotropic substances.

The Portuguese prime minister explained Portugal chose Venezuela to broaden ties with because Portugal believes Venezuela is one of the Latin American countries with the largest credibility.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.